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SOCIAL INSURANCE

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## ADVANTAGES AND DISADVANTAGES OF STATE FUNDS IN WORKMEN'S COMPENSATION

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The experience with state insurance funds in the field of workmen's compensation covers only a short period of years, as none of these funds was in existence five years ago. But this experience, short as it is, has already demonstrated certain facts regarding the advantages and the disadvantages of this method of compensation insurance. The first proved advantage of state fund insurance is the low cost. The New York state insurance fund, for example, charges rates that average 20 per cent lower than those of the casualty companies; and, furthermore, it has paid dividends averaging 20 per cent on the first policy term and 15 per cent on the second. On a conservative estimate, employers insured in the state fund saved half a million dollars on the cost of their insurance for the first year, as compared with what they would have paid if insured in stock companies; while, on the other hand, employers insured in the stock companies paid something like \$3,000,000 more for their insurance during the first year than they would have paid if insured in the state fund.

The low cost of state fund insurance results from the elimination of certain expenses necessarily attendant upon stock company insurance, especially commissions to agents and profits to stockholders. The premium paid by an employer for compensation insurance is in essence a tax. In establishing a compensation system, the state has imposed a new tax upon employers to cover the cost of industrial accidents. In theory, this tax will be shifted ultimately to the consumer, in the form of higher prices for products and services. In the first instance, however, the tax is paid by the employer, who is permitted in most states either to pay it directly into the state treasury, in the form of a premium to the state fund, or to

pay it in round-about fashion, in the form of a premium to an insurance company. When the premium is paid to a stock company, it is loaded with a heavy sur-tax to provide agents' commissions and stockholders' profits; when it is paid to the state fund, this sur-tax is eliminated. An employer who pays his compensation tax to an insurance company virtually employs the latter as a tax collector, subjecting himself to an additional charge for this superfluous service.

When the compensation premium is viewed in the light of a tax, state insurance is seen to be the logical and economical method of administration in this field. The administration of compensation insurance through the agency of stock companies is strictly analogous to the old system of farming out the collection of taxes, long since discarded by modern states. It involves economic waste and needless addition to the burden of employers under a workmen's compensation act. This waste is cut out and the expense reduced to a minimum by a state fund.

The interest of employers and employees alike—in short public policy—demands the elimination of superfluous overhead charges in compensation insurance. The ideal system of workmen's compensation is one which provides the maximum of benefit for employees at the minimum of cost to employers. This ideal cannot be realized through the medium of stock insurance. The moneys paid by employers for the benefit of injured workmen should not be subject to tolls levied for the purpose of providing commissions for agents and profits for stockholders.

The elimination of the agent, economically desirable as it is, places the state fund at a great disadvantage in competition with stock companies. The latter have an army of solicitors, whose activities are concentrated chiefly upon the state fund. Misrepresentations concerning the state fund are industriously circulated. The resources of the great business-getting organization of the stock companies are employed constantly to spread before employers statements intended to discredit the state fund and to fill them with fears of vague and vast disaster to be apprehended from this source. The state fund is unable to correct the misrepresentations and to place the facts regarding its terms of insurance, its service and its financial condition before employers, as it has not the facilities for reaching them at first hand. Insurance brokers in New York have not hesi-



tated to spread stories that the state fund was bankrupt and would have to go out of business in the near future. Every invention of this kind travels a long route and does much harm before the truth can overtake it.

Right here is found the strongest argument for conferring a monopoly upon the state fund. The competitive plan of insurance, under which employers are offered the four options of state, stock, mutual, and self-insurance, is attractive as a theoretical proposition, but, in practice, it has its serious limitations. In theory, this plan promises to result in securing the lowest rates and the best service to employers, but in practice it seems destined to result in imposing a needless burden of expense upon employers at large, as they are deterred from placing their insurance in the state fund through the mischievous activities of agents of the old line companies. The enormous difficulty of securing really fair and equal competition between the state fund and the companies makes it a serious question whether the competitive plan will not result in greater evil than good to employers in general. The grant of a monopoly to the state fund may be defended as a measure of protection for employers themselves against a form of exploitation that is costing them millions of dollars annually in unnecessary overcharges for compensation insurance.

A second advantage of state fund insurance is that, in addition to its low cost, it offers a high degree of security to employers and to employees. An employer paying a premium to the state fund in New York, and in some other states, is released once for all from all liability for personal injuries or death sustained by his employees. The appellate division, third department, Supreme Court of New York, declares that the "law gives absolute immunity to the employer after insurance in the state fund, while such immunity is not given after insurance with any other carrier." If a stock or mutual company fails, its policyholders are personally liable for the payment of compensation to their employees. Employers insured in the state fund secure complete release from such liability. The critics of state fund insurance point to this feature as a weakness, alleging that it deprives the employees of the guarantee of the payment of the benefits prescribed in the act, since the state releases the employer from his liability for such payment and does not at the same time assume any financial obligation to maintain the solvency



of the state fund. It is true that in the law governing the administration of the state fund it is provided that such fund shall be administered without liability on the part of the state beyond the amount contributed by the employers in the form of premiums. The state, however, by creating such a fund and guaranteeing release from liability to all employers insured in it, has assumed a moral obligation toward the employees covered by such insurance, which would be absolutely binding if the need of further action on the part of the state should arise. The state by releasing the employer from the liability virtually assumed such liability and could not evade or repudiate the moral obligation thus incurred. It is inconceivable that any widow would be deprived of her compensation pension, if the employer were insured in the state fund. State fund insurance thus affords the highest degree of security both to employer and to employee.

The provision of the New York compensation act, releasing state fund policyholders from all liability under the act, has been criticised severely by the casualty companies as conferring an unfair advantage upon the state fund. This feature of the law, however, can be justified as a measure needed in order to make the state fund an effective competitor of the stock companies. The same justification holds, by the way, for the temporary expense subsidy granted to the state fund in New York. No one can deny that the stock companies had enormous initial advantages over the state fund. The vice-president of one of the largest stock companies stated in a letter to the manager of the state fund:

You have admitted publicly that the state fund conducts its competition with the stock insurance companies at some disadvantage, and if you should say that that disadvantage was great, we should agree with you.

The initial advantages enjoyed by the stock companies consisted in the possession of large surplus and reserve funds; in their connections with an army of insurance brokers and agents throughout the state; in their ability to write other forms of insurance needed by employers in addition to compensation insurance—public liability, employers' liability, boiler insurance, elevator insurance, fire insurance; and finally in the advantage afforded by the natural preference of most business men for private enterprise as opposed to state management. In all these respects the state fund was at the start heavily handicapped. In order to offset these handicaps it

was proper, and indeed necessary, to give the state fund some positive assistance. Without such assistance the state fund could hardly have become an effective competitor of the companies and a real factor in the insurance situation. The assistance took the form of a temporary expense subsidy and the assurance of complete release from liability under the act to employers taking insurance in the state fund.

In this connection, the critics of state fund insurance allege that, notwithstanding the release clause, or the immunity provision, it fails to give the employer complete protection on his liability for injuries to employees, since the state fund policy covers only the liability for compensation and does not include the liability in connection with damage suits at common law brought by employees who may not be covered by the compensation act. This alleged disadvantage has been exploited most ingeniously in the voluminous literature of the stock companies, issued in their campaign against the New York state fund. The state has been flooded with circulars purporting to show the limitations of state fund insurance. The payment of compensation in many cases in which awards have been made has been held up, and the cases have been dragged into court in order to secure, if possible, some decision that might embarrass the state fund. In one case, in which an employee had his ear bitten by a horse, the right of action on his part was sustained by a lower court on the ground that the injury, which caused disfigurement but not disability, did not come within the schedules of the compensation act, and therefore, the employee had the right of the old remedy at common law. In another case, the same court held that a carpenter called in by a manufacturer to do a piece of construction work was not covered by the act, on the ground that his occupation was not in the usual course of the business of the employer, and, therefore, he was entitled to bring suit at common law. In still another case, the same court held that a janitor, injured while climbing a pole to put up a flag, was not covered by the act. In another case of this sort, a justice of the supreme court handed down a decision sustaining the right of action of non-dependent relatives of a deceased employee for loss of services.

It is important to note that in all these cases, which are advertised as prize exhibits by the stock companies, the insurance was carried by one of the latter and not by the state fund. The big outstanding



fact is that no single instance can be cited in which the state fund policy has failed to give complete protection to the employer. The state fund has over 8,500 policies in force, and has been operating for nearly eighteen months. It would seem that, if there were solid substance in the arguments about liability not covered by the state fund policy, a concrete case would have arisen to which the competitors of the state fund could point as proof of their contention. It is true that a few suits have been instituted against state fund policyholders by employees seeking damages in the courts, but such suits have been discontinued or withdrawn when the facts regarding the provisions of the law have been laid before the employees and their attorneys.

It is an intolerable situation, however, that employers desiring insurance in the state fund should be deterred or disquieted by reason of any questions as to coverage under its policy. Employers are entitled, at the hands of the legislature, to a speedy remedy for this condition. The compensation act should be amended so as to remove all possible doubt as to the completeness of the coverage afforded by the state fund policy. The legislature about to assemble should take prompt action to make such coverage definite, clear and complete. This can be done readily, either by extending the scope of the act to cover all employments and all injuries, excepting possibly domestic service and farm labor, or by granting to the state fund authority to issue a policy covering not only the liability for compensation, but also an incidental liability for injuries to employees that might arise outside the compensation act.

An amendment extending the scope of the act would be the preferable solution of this difficulty. Such an amendment is called for as a measure of fairness and justice to labor. If the principle of workmen's compensation is sound and right, its application should be extended to employees in occupations of low hazard as well as those of high hazard. The right of an injured employee to receive compensation cannot fairly and logically be made dependent upon the degree of hazard involved in his employment. An employee in a trade in which the accident frequency is low, averaging perhaps only one accident per 1,000 employees annually has the same basic right to compensation as has the employee in a trade whose accident frequency is high, running up to 500 accidents per 1,000 employees annually. The accident in the former case cannot properly be made



a burden upon the individual rather than a charge upon the industry, simply because the injured employee happens to be one out of 1,000 injured each year instead of one out of two. The amendment suggested is also called for in the interest of employers, who would be relieved of the uncertainty and perplexity now attendant upon the application of the act to various classes of employees and the needless addition to the insurance burden of those who feel obliged to carry liability as well as compensation insurance. The interest of employers and employees at large, as well as that of the state fund, would be served by the proposed amendment.

It is argued by the critics of state fund insurance that a most serious disadvantage lies in the necessity of accepting all applicants and the impossibility of rejecting bad risks. The prediction was freely made, at the time the New York state fund was established, that it would secure an undue proportion of undesirable business, and consequently would show an abnormally high loss ratio. Employers were warned against placing their insurance with an institution that could not protect itself against adverse selection. This argument is greatly overdrawn. As a matter of fact, the power to fix rates and to impose differentials in the case of individual risks of an extra hazardous character affords a measure of protection against adverse selection. It is true that a state fund cannot reject any risk outright, but by its power to fix rates it can discourage undesirable classes of business or at least secure an adequate premium for all risks insured in the fund. The experience of the New York state fund goes far toward discrediting this argument. The fund has obtained a large amount of very desirable business, on which the hazard is light and well distributed. The loss ratio of the fund for the first fifteen months was 63 per cent. This was below the normal or hypothetical loss ratio under the New York act, which might be taken as  $66\frac{2}{3}$  per cent, that being the allowance for insurance costs in the rates adopted by the casualty companies,  $33\frac{1}{3}$  per cent being allowed for expenses. In comparing the loss ratio of the New York state fund with the loss ratios of the casualty companies, allowance should be made for the fact that the fund rates are considerably lower than the company rates. If the state fund had charged the same rates as the companies did, and had collected the larger premium income which these rates would have yielded, its loss ratio for the first fifteen months would have been approxi-

mately 55 per cent. At any rate, the loss ratio to date shows conclusively that the fund has not been swamped by an influx of uninsurable risks, as its opponents predicted.

Another alleged disadvantage of state fund insurance, upon which great stress is laid by its opponents, is the possibility of political control or manipulation, with resulting high cost and poor service. It is argued that no state fund can be administered economically and efficiently, and that the waste and graft which will inevitably creep into the administration will more than offset any theoretical economies claimed for state enterprise in this field. The history of the New York state insurance fund to date affords no support for this argument. Politics has played no part in the selection of employees and in the management of the fund. The employees, including the heads of departments, are all under civil service. The management has demonstrated the possibility of giving a clean, businesslike, non-political administration of a state fund. It seems inconceivable that politics will be allowed to creep into the administration of the fund in the future. This fund is in reality a trust fund, made up of money contributed by employers for the benefit of injured employees and their dependents. The interest of both employers and employees is that the fund be administered solely with regard to economy and efficiency, in order that the benefits prescribed by the act may be provided for employees at the lowest cost to employers. The cooperation of employers and employees may be depended upon to support an administration of the fund in strict accordance with sound business and insurance principles. It is safe to predict that this policy is the only one that will ever be tolerated by the manufacturers and working people of the state, whose interests at stake in the fund are too large to permit them to view with indifference any attempt at political interference.

## THE SOCIAL COST OF SICKNESS

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HAVEN EMERSON

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Two lines of approach are open to those who would analyze the cost of sickness. The accountant and the statistician will attempt to estimate the number of people sick enough to affect their daily work, and this must be a guess pure and simple, and then calculate certain expenses of medicinal and nursing care, the wages lost, the impaired capacity to work. They may even refer to damage suits and court decisions and count up the compensation value of pain and disability, the cost of foot or eye or paralyzed arm. The sanitarian and the sociologist, on the other hand, might count the services and equipment which would suffice to prevent the sickness we now experience.

Both the cost of the sickness as it is found to-day and the expense of prevention of such sickness as is preventable are acknowledged to be the burdens of society, even though for the moment the loss, the privation, the often permanent disintegration of the family, are confined to the three rooms of the city tenement or to the four walls of the mountain cabin.

The final distribution of the cost of the sudden catastrophe of a case of pneumonia is by spreading the burden, clumsily enough and unevenly, far and wide in the community.

So the cost of prevention may for the moment bear upon the farmer who must drain his stagnant marsh to spare his family and neighbors the devastation which the malarial mosquito would bring. It is not society at first which bears the cost of the deeper driven well and the sanitary privy which the rural dweller must provide if he would prevent the typhoid fever which decimates his village. The cost of such improvements postpones the payment on the farm mortgages, and is spoken of as confiscation when labor and tools for the necessities of bare existence are hard enough to come by.

Which is the expense that society bears most willingly, the cost



of sickness and death or the cost of drainage and sanitation? Notice the liberality with which appeals are met when disease has selected its victim. The open purse, the helping hand, and the friendly heart are at the service of sickness when the appeal is personal, concrete, objective.

You pity the typhoid patient in the hospital ward, you supply him with the care necessary to insure his recovery. A competent hospital superintendent can tell you what the cost has been as far as the period of illness is concerned, and you think it reasonable. Would you feel responsible if called upon to pay the infinitely smaller bill incurred in tracing the cause of this individual case to its source? The patient's brother may lunch at the same counter and drink at the same polluted well's supply, but you do nothing to prevent such a calamity as a second case of the disease unless perhaps you write a letter criticising your local health officer, or even go so far as to resist by argument or even by force the offer of the district physician to vaccinate those exposed in the home of the patient when he was already infectious.

It is quite as correct to claim that the social cost of sickness is the cost of measures which will prevent sickness as it would be to put down in rows of interminable figures the loss in cash and happiness due to actual disease which has occurred. Furthermore, I believe the more accurate estimate will in every instance be the one based upon work done now for prevention which gives results, instead of counting the cost of sickness the end products of which may not be reached until the last mentally defective, generations hence, is allowed to pass its life without propagating its kind, or the grandchild of the syphilitic is buried and the family has come to an end.

Let us therefore measure what we have spent in the past as a goad for our efforts, to see that our costs in the future shall be to some profit.

Why waste time and breath discussing how much a life, a maimed arm, a blinded eye, a starved body has cost the community?

Society revels in the experience of to-day and in the promise of to-morrow, but has scant time to discuss its failures of yesterday.

Let us then seize the opportunity that science has put into our hands. Let us reap the harvest of health that awaits our application of simple measures, easily taught, quickly applied, and cheap as are all profitable expenses.

Sickness and disability are preventable in so large a measure that we need not quibble if the physicians of to-day have not decreased cancer or insanity, and if their patients still show too early in life the results of neglected hygienic laws.

Preventable sickness is either communicable and therefore to be attacked by cutting off the means of communication and the sources of distribution, or it is occupational and to be met by correcting the conditions under which we permit occupations.

It is only of a very few of the communicable diseases that we have anything approaching an accurate measure of their prevalence.

We know that for every death from typhoid fever there are about ten cases which recover and still there are many parts of the country where the reporting of disease is so incomplete that more deaths will be recorded with the local registrar than there have been cases reported to the health officer. Without going into the cost of service of health officers, nurses, and sanitary inspectors, and the like, it would be correct to state that the social cost of investigating and stopping a typhoid epidemic is rarely as much as the cost of any one of the lives which typhoid takes, and that for every life lost nine more lives were more or less seriously damaged for considerable periods.

We know the cost of the service of prevention whether by purifying the water, pasteurizing the milk, or by keeping the typhoid carrier from our kitchens. The cost of an epidemic can only be approximated and goes beyond the community in which it starts, the visitor within its gates leaving for distant towns with his yet undeclared infection to start new foci of disease.

The idea of efficiency has been made to serve men of one aim, the aim to develop an occupation to the point of maximum production at the minimum of cost. Well and good, let us by all means have good shoes made cheaply. Let us have such manner of production that our people may get the benefit of the economies made possible by large undertakings, and where does the harm come? It is in the monotony of continuous and uniform tasks. It is in the noise, dust, and indoor conditions that prevail.

No one has ever mentioned the item of lowered individual resistance as one of the costs of production, and yet it would be as suitable to add to the cost of a shoe the expense of sickness made probable by the faulty sanitation of the factory and the hygiene

of the home, as it is to include in the costs of operation the indemnity paid for accidents for which the employer is responsible.

Shall we add to the social cost of sickness the cost of the alcohol used which is responsible for many of the industrial accidents, or shall we charge up only the campaign of education which will in the end prevail in teaching the avoidable defects in resistance and action which alcohol causes?

Society pays the cost of the liquor used and the still greater but less calculable cost of the damage it does. Society is beginning to take note of its liquor bill and it is wisely including it among the other unprofitable expenses. Alcohol, the habit-forming drug par excellence, is to be included with morphine and cocaine as among the antisocial and destructive forces. Is it conceivable that the teaching necessary to save our people from the sickness due to alcohol will cost as much as the annual bill now paid for alcoholic beverages, for lack of the knowledge of its damage to national health?

Ask any community to subscribe their annual expenditure on worthless patent medicines for the support of visiting nurses sufficient to reach each prospective mother just to give her the little word of brief instructions needed to save her from the fate of thousands of women who are annually sacrificed, ignorant of the needs of her time, helpless while her babe is dying.

The cost would be easy to bear, the results would appear within a year, and yet the social cost of sick babies and permanently invalided mothers has never been charged up to the community.

No returns are so prompt and so nearly exactly calculable as those from investment in personal teaching of the expectant mother and of the nursing mother.

Next comes the periodic examination of the growing child, the daily study by the school nurse and the doctor which has made our public schools centers for prevention of the contagious diseases instead of points of distribution of them. The cost to the community is small, but it is undertaken only reluctantly and grudgingly.

It may be desirable, even essential, for society to know every case of sickness, its cause and duration. A rough guess at the cost could be made, allowing for obvious expenses until recovery or death, but I would suggest that no estimate of cost in terms of money can even approximate the loss of happiness from sickness.



Why wait for a system of cost accounting when we are ready at this very moment to proceed with a logical and effective attack upon sickness and death which will make the estimates of to-day look ridiculous a decade hence?

Could we for but a generation have merely the interest on the amazing sums proposed for so-called national defense we should be mobilized for any emergency.

Society is not interested in the cost of a thing, but merely in its desirability. It is of immediate importance for us to make it evident that national as well as personal strength and health and beauty are the results of obedience to laws. The laws of right living can no more be violated by the individual without loss of his health or of years of his life than can the laws of nations be broken without catastrophe.

Will the preparation for being sick prevent disease?

Has the arming of nations prevented war?

Teaching the causes and prevention of disease and disability will relieve society of a cost I doubt if any one can calculate.

To sum up: The social cost of sickness is incalculable.

The prevention of disease is for the most part a matter of education, the cost is moderate, the results certain and easily demonstrated.

Let the statesmen of to-day think, act and provide for the health of the nation and our preparedness will be a by-word among nations, a cause of praise and not fear, of imitation and not envy.

## ORGANIZATION OF MEDICAL SERVICE

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MICHAEL M. DAVIS, JR.

*Director, Boston Dispensary*

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Perhaps much of what I have to say would be described rather as "disorganization" than by the term "organization" of medical service. I shall endeavor to describe the existing situation in medical work because if any sickness insurance plan is to be effective it must be built upon foundations of present fact.

In making statements about medical conditions which may seem critical, I do not wish to be understood as criticising individual physicians, but as pointing out that advances in science and changes in the general social order have operated to bring about alterations in the practice of medicine and in the social situation of the profession which render conditions of medical service widely different from what they were even a generation ago.

We are all familiar with the older type of medical practitioner—the "family physician," of whom Dr. Abraham Jacobi, two or three years ago, spoke in his delightful way as "the chum of the old people, the intimate of confiding girlhood, the uncle and oracle of the kids." Dr. Jacobi had in mind not merely the general practitioner, meaning a man who does not confine his work to any special medical field, but the general practitioner who is a family practitioner with the emphasis on *family*. The general practitioner is still with us, but the family physician has largely disappeared. I wish to indicate, as far as I can, what has replaced him, and what has also replaced, in some measure, the general practitioner himself. For in our large cities the general practitioner *has* been replaced, for a good part of the community, by a different system, which we may call the system of specialists.

The mere growth of cities has of itself affected the conditions of medical practice. The increased shifting of population, the breaking-up of neighborhood interests, and other familiar tendencies of life in a great city—all tend to break down that intimate, continuous

contact between the physician and the family which was the basis and strength and charm of the family physician system. The influence of the city has been powerfully reenforced by the tremendous growth of medical science, in bulk, in variety and in elaborateness of technique. The mere mass of medical knowledge to-day renders it far too large to be grasped by any one man. The technique of surgery or of the laboratory is in itself a lifework.

This development of medical science has brought with it a greatly increased efficiency in the diagnosis and treatment of disease. But it has necessitated specialism, for the same reason that specialism has been called forth in other branches of science, and in industry. I can best display the present situation by recounting the medical services afforded a few well-to-do families. One family with two children, to whom money was not a problem, and who in the course of a recent twelve-month had no really critical illness, employed, nevertheless, in addition to a laboratory worker and an X-ray man, five different physicians: a general physician, an oculist, a dentist, an orthopedic surgeon, and a throat surgeon. In the ordinary course of the year the eyes, teeth and throat were cared for, some troubles of the children's feet were treated, and the other doctors were called in from time to time as occasion arose. Another family, wherein a baby was born, consulted during the year a general physician, an obstetrician, a pediatrician, a skin specialist, a dentist, and a laboratory worker. Still another family, composed of two adults, and having no illness confining either to bed during the year, employed four specialists—oculist, aurist, gynecologist, and neurologist.

Many of us can probably duplicate these stories from our own immediate circle. Instead of a family depending on a single physician with only rare or occasional consultation of a specialist, the family relies on no one man, but calls in many. It is furthermore significant that in some cases the specialists are called on the advice of the general practitioner who attends to the ordinary medical troubles of the family, while in many other cases the members of the family have become sufficiently habituated to the specialist system to call the specialist directly. Under the family physician system, the advice of the specialists was interpreted to the family through their general medical advisor. When the family physician passes away, the general practitioner remains to a certain but minor extent as the seeker of consultation and as the interpreter to the



patient of the consultants' opinion. The family physician system, among the social group described, has vanished; the general practitioner system has largely though not wholly disappeared also.

Radical changes in medical service result:

1. Cost is greatly increased.
2. Medical efficiency is also increased, inasmuch as each of the medical units, through specialization, is more expert in a particular line than a general practitioner could be.
3. Medical efficiency is diminished, on the other hand, because the members of the medical group coming into a family are not coordinated, except in a very general way by the principles of "medical ethics."
4. Medical work to-day requires expensive technical equipment, particularly instruments, laboratories and X-ray apparatus; the same is true in a measure of medical treatment and to a much greater extent of facilities for surgical operations. Under a system of specialists who are seen at their individual offices by patients, a large quantity of expensive equipment is maintained with much duplication and with no organization in its utilization. This adds to cost and diminishes efficiency.

If, when machinery was introduced into industry over a century ago, the different machines for making the various parts of a product had been distributed among the homes of individual workers instead of being grouped and organized in a factory, only a fraction of increase in productive efficiency, if any, could have arisen from the employment of the machine. Modern industry is the result of specialization, based upon progress in pure and applied science, *plus* organization. In modern medicine we have developed specialization, also based upon progress in pure and applied science, but in private practice we have not developed organization.<sup>1</sup>

The persistence and indeed the further increase of specialization

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<sup>1</sup> A recent publication, *The Profession of Medicine*, prepared for the Harvard Medical Alumni Association by Dr. Arthur B. Emmons, 2d, brings some interesting facts showing the extent to which specialization moves among medical graduates of to-day. A study was made of the physicians graduating from the Harvard Medical School within the past thirteen years. Of over 300 men who testified, only twelve wrote themselves down as general practitioners, 142 had already confined themselves wholly to specialties, and 134 were beginning specialties and were expecting to confine themselves wholly

in medicine is doubtless inevitable, but is its non-organization inevitable? In hospitals and dispensaries another system has been growing up which represents the specialist system *plus* organization, and to this especially I want to call attention. In the modern hospital we have the medical framework based upon the principle of medical specialism. The general practitioner is represented in the men of the department of general medicine, although most of these are highly specialized. We have a large number of departments, perhaps a dozen or more, each confining itself to a special branch of medicine or surgery. We have furthermore the expensive equipment, including instruments, laboratories, and all materials necessary in the diagnosis and treatment of disease, pooled, so as to enable them to be used with a maximum of convenience and of time saving to physicians and patients. We have an organized set of relationships between the cooperating specialists.

The hospital is an institution for the care of patients who are sick enough to be in bed. The dispensary is based upon exactly the same principle of organization, both as to equipment and personnel, but it deals with patients who are able to walk about—ambulatory cases, as the phrase goes. Thus, the hospital and dispensary taken together represent organized medical practice; one corresponding to the home practice and the other to the office practice of the private doctor.

We have recently had in this country a very rapid and rather remarkable development of hospital and dispensary service. The number of dispensaries has multiplied something like sevenfold in the last fifteen years, and they are becoming highly developed in their organization. The most interesting example is probably the Mayo Clinic in Rochester, Minn. There seventy-five physicians have opened a building for the purpose of developing the maximum medical efficiency, with the most extensive equipment, organized on a business basis; that is, they are giving the best medical service they can, and they are making it pay. At the present time, I think, we can find the best examples of medical service in the best hospitals and dispensaries, rather than in private practice.

to them at a later period. These men may not be representative of the average graduates of medical schools, and most of them, it should be observed, have located in large cities, but as an indication of the apparently inevitable trend of well trained medical men towards specialization the figures are certainly noteworthy.

Now, can we define the sections of the community to which the widely differing systems of medical service apply? The statements I am about to make are based on personal observation and are necessarily rough, as no general statistical data are in existence, as far as I know. We have for the use of the well-to-do and the wealthy a system of specialist service, largely unorganized, supplemented among them by a certain amount of hospital care which is organized. We have for the poor a large amount of hospital and dispensary service which is organized from the standpoint of both personnel and equipment. And for the balance of the community we have a mixed service, with a few family physicians in the old sense, and a great many general practitioners who are cut off from specializing, and who take what practice they can get in the way they can get it. The general practitioner of this type, working among the middle classes suffers the greatest disadvantages, being largely cut off from opportunities to study and improve himself in scientific medicine, opportunities which the hospital physicians get. The wealthy can secure the unorganized but expert care of specialists and have no trouble in paying for it; the poor can secure in hospitals and dispensaries the organized service of the very same specialists, and will not have to pay for it; but the balance of the community is cut off in the main from both ends of such service.

From these facts it seems to me that the coming health insurance system ought to base itself upon a principle of medical development which recognizes the two essential developing elements in modern medical service, namely, specialization and organization, *i.e.*, organized equipment, organized personnel. We cannot, in developing health insurance, go beyond what the community understands or desires, but it seems to me that any system which is instituted should provide means by which the organized resources of hospitals and dispensaries can be utilized, and developed as rapidly as possible, so as to afford opportunities on one hand for improved medical service, and on the other for public service to larger social groups.

The details of such a system must be worked out as we go along. But it seems to me that these principles, which have not been utilized to any extent in either the British or the German system, should be recognized in this country. Health insurance is merely the means of providing the economic foundation upon which such medical organization can be made effectual.



## PLAN FOR A HEALTH INSURANCE ACT

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HENRY R. SEAGER

*President, American Association for Labor Legislation*

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I could not have a better introduction for the presentation of the details of our health insurance bill than Dr. Davis's address. He has made clear our present situation, and shown how defective it is at two points.

It is not quite true that our medical service is disorganized; it is true, however, that the organization that is developing is not on a sound financial basis. It is dependent partly upon contributions from the state or from the city, which are subject to more or less irregularity; it is dependent largely upon the uncertain philanthropy of the well-to-do. The other weakness is that wage-earners—the great mass of our people—when told by our dispensaries and hospitals what they should do to be well often cannot afford to do the things they ought to do—have not the material means to follow the doctor's prescription.

These two defects can be corrected only through a comprehensive health insurance system which will put medical service on a sound basis and enable the great mass of people to get the full benefit of wise medical advice and the right sort of provision in hospitals and sanatoriums.

The bill that we have worked out contemplates compulsory health insurance and justifies that proposal on the ground that experience everywhere has shown that voluntary insurance will not reach the classes which need it most. Those who are intelligent and forethoughtful enough voluntarily to develop plans are not those we need feel most concerned over. Therefore compulsion is necessary. The system must be made obligatory if it is going to render the large social service of which it is capable.

The obligation to insure imposed by the bill is to apply to all manual workers and to all non-manual workers, clerks, foremen, etc., whose earnings are less than \$1,200 a year. Even home workers are to be included as far as this is administratively possible—the details to be worked out by the commission to be created.

In addition, provision is made with adequate safeguards for the voluntary insurance of persons who desire to gain the benefits of this great cooperative plan and who are not included among those who must insure. The benefits to be provided are medical, surgical, and nursing benefits, medicines and surgical supplies, beginning on the first day of illness and continuing through the twenty-six weeks in any one year during which benefits are to be paid. The most radical feature of the bill, as regards medical service, is that such service shall be provided not merely for the insured, but for the families of the insured. Such an arrangement will be economical, the medical staff being in touch with the insured family through the insured, and the contribution which the state will be called upon to make is thought to justify the placing of this burden on the insurance fund.

As to the second chief benefit—the cash benefit—the bill proposes that it be two-thirds of wages, and that it begin on the fourth day of illness and continue during the disability but for not more than twenty-six weeks in any one year.

The third type of benefit is hospital or sanatorium care, where this is prescribed, or desired, with the consent of the physician. In that case the cash benefit to the dependent members of the family is to be reduced to one-third of wages.

A fourth benefit is the maternity benefit which is to consist of medical care for the mother, and, in the case of insured women, of a cash benefit for not more than eight weeks, on the ground that this is a kind of disability from capacity to earn wages, comparable with illness, and that the need for support during this period for wage-earning women is as great as in the case of ordinary illness—especially great from the point of view of our legal situation, because in some states we prohibit women from gainful employment for a certain period of time after child bearing, and therefore deprive them, if they are wage-earners, of their usual source of income.

Finally, there is provision for a funeral benefit of not more than \$50. Funeral benefits, as a matter of fact, are the benefits most eagerly desired by our wage-earners.

These benefits are to be paid for out of funds to which it is proposed that employer and employee contribute equally, and to which the state contributes one-fifth of the total; so that the division of

the expense will be two-fifths of the sum on the employee to be benefited, two-fifths on his employer, and one-fifth on the state.

The propriety of calling for a contribution from the employee is obvious. Objection will be made that his share is small and that as much as three-fifths is drawn from other sources. The committee justifies requiring two-fifths from the employer on the ground that illness is, to a considerable extent, occupational in its origin. Thus the figures cited from the experience of the Leipsic sick insurance fund show a variation of from 20 to 65 per 1,000 in the sickness rate for different occupations. This shows clearly the large extent to which the occupation has an influence on illness frequency. This might have been dealt with in another way. It was proposed in our deliberations that we require the employee to bear the cost, assisted by the state, in industries where there was no occupational disease at all—if there is any such employment—and that then we impose the additional expense encountered in other occupations entirely on the employer. That appeals to one's sense of exact justice, but from the viewpoint of administration it would be extremely difficult to carry out.

The plan of requiring in all cases a contribution from the employer appealed to the committee because of the importance of enlisting his interest in the whole program, and his intelligent co-operation in the administration of the insurance fund. The best way to get the attention of our American employer is to reach for his pocketbook. Our experience with workmen's compensation acts shows how much can be accomplished when we make it financially profitable. If we are to start a "Health first!" campaign comparable with the "Safety first!" campaign that is now so well launched we must make health a paying investment for all in a position to promote it.

The requirement that one-fifth be contributed by the state will perhaps not be objected to in this country. At any rate, that suggestion was not opposed in the committee. Objection was made on this point that no more than one-fifth was to be contributed.

The administration of the plan, as proposed by the bill, is to be vested in local insurance societies, to be supervised by a social insurance commission for the whole state. These local insurance societies are to be governed by representatives elected in equal number by the employers and employees concerned. Employers and employees are to select members of a large committee, the same num-



ber from each side; this large committee is to select a smaller board of directors for the insurance society. As you will observe, this is practically the German plan, and our confidence that it will operate well in this country when established is based upon observation of its success in Germany. The most striking difference is that under our apportionment of contributions employers would have the same voice as employees; whereas in the German societies employees have two-thirds of the directors. We think equal representation to the two sides will work better than the German unequal representation. We see no reason why in the administration of such a system there should be anything but the most cordial cooperation. The employer would have no motive for hampering the efficiency of the plan. On the contrary, we believe that his advice and assistance will aid it.

This is to be the general type of administrative organization. To supplement it, provision is made for the organization of trade societies in localities where there are enough individual employees in particular trades to make that administrative unit of sufficient size. Then there is provision for voluntary organizations, such as we have at present,—labor unions, and the like—provided that they meet at all points the requirements of the law, comply with regulations of the social insurance commission designed to hold them up to the standards which the law prescribes, and that they are financially sound.

In connection with this last type of organization, the employer will not be called upon to contribute to the fund of a trade union or of a fraternal society. His contribution would still be required, but it would be credited to a reserve or safety fund that might be drawn on to meet extraordinary demands due to epidemics, etc. The state's contribution will be made on the same basis of one-fifth in connection with each type of fund.

As to the social insurance commission, the central body to have supervision over the whole system, the details are left rather shadowy in the provisional draft bill, because we think this must be adapted to special conditions in the different states that adopt the system. It is proposed that the commission shall consist of five members; that their position shall be non-political as far as possible, and that their tenure of office shall be long enough to insure continuity of service and the right type of commissioner.

The powers of the commission are made quite broad, with a view

to enabling it to meet any situation that may develop as the administration of the law proceeds. It is at the same time subject to judicial review in the exercise of its powers, so there is no danger of its becoming unduly autocratic in attitude.

That is in brief the proposition the committee wishes to lay before you for consideration. Already it has been criticised at important points, and suggestions have come in which should lead to valuable amendments.

I want to refer especially to one criticism that has been urged upon us with great earnestness, by representatives of the Consumers' League, and that is of the maternity benefit—the cash benefit to employed women who give birth to children and are therefore withdrawn from gainful employment for a certain period. It is feared that this provision will encourage the employment of married women, and I think there is some ground for that fear as the provision now stands in the bill. That is to say, unless adequate safeguards are thrown about this part of the bill, it may have that effect. I have been especially impressed by evidence that has come to us from Mr. Howell Cheney, of South Manchester, Conn., since the bill has been printed. He states that he started out in the sickness insurance plan he has introduced for his employees with a very liberal maternity benefit provision, but found that the result was a large increase in the number of married women who sought employment in his mills and an alarming drain on the funds to provide the maternity benefit for these women. He met the situation, not by abandoning this feature of the plan, but by modifying it so that married women could not receive this benefit unless they had been employed for a considerable period and so that the benefit itself would in no case be more than \$50, and therefore somewhat less attractive as an inducement to married women to seek employment.

The bill as outlined is laid before you not as a finished act but as a basis for criticism and discussion. Our Social Insurance Committee has labored over it long and earnestly. It represents a study of the strong and weak features of European systems, fairly intimate knowledge of American labor conditions, and unanimous conviction that the time has come for bold experimentation with health insurance in this country. The committee has not, however, any great pride of authorship in its work. It knows that the bill can be improved and strengthened in many ways, and to this end and to the end that legislation be secured it confidently asks your help.

## GENERAL DISCUSSION

LEE K. FRANKEL, *Sixth Vice-President, Metropolitan Life Insurance Company*: I have been interested in the remarks of Dr. Emerson with respect to the measure of sickness. One of the facts that we shall have to determine, at least approximately, before we can estimate the cost of a health insurance plan is the sickness existing in a particular community. Unfortunately there are no data available, as far as the United States is concerned. A study was made, I think, in the '70's, but it was not a very exhaustive one, and is really not valuable under present conditions. In view of that fact, we have attempted in the last few months to try to ascertain whether we could get some idea as to the amount of sickness existing in a community at a particular time. For this purpose we selected two cities—Rochester, N. Y., and Trenton, N. J., representing widely different groups of industries. The information was secured through our agents from our industrial policy holders. Because of the intimate contact these agents have with the policy holders we believe that this was a very efficient method.

We inquired into the condition of 34,000 individuals in the city of Rochester, and found that 798 of them were sick. Of these, 82 per cent were sick and unable to work, while 18 per cent were sick and able to work. Some who were chronically ill, with rheumatism and the like, were still at their occupations. Ten per cent of the total number were in hospitals. Most interesting of all was the fact that 25 per cent of the total illness was due to diseases of the nervous system—a remarkably high ratio. Among these were sixteen cases of epilepsy, twenty-five of insanity, and a large number of paralysis and locomotor ataxia. I should say that I doubt whether we obtained any record of venereal diseases, and I believe we lost a large percentage of tuberculosis. But outside of these I think we found pretty nearly all of the sickness which incapacitates. Ten per cent were cases of accidents and childbirth. There were sixteen cases of whooping cough, four cases of typhoid. Only 60 per cent of the total number of cases had a physician in attendance. The other 40 per cent did not. We found that the cases where physicians were in attendance were acute diseases.



Another interesting thing is the duration. No fewer than 170 cases, including, of course, the chronic cases, had a duration of over three years. The Trenton figures, which I have not at present at my disposal, practically confirmed those obtained in Rochester.

Finally we have demonstrated in the survey what has long been known in German experience, namely, the increase in the rate of sickness with the increase in age. That increase seems to be alike, as far as the two cities are concerned. On the other hand, there is a higher rate of sickness for women than for men. That is something we must recognize here in the United States in connection with any scheme for insurance.

DR. EMERSON: We have recently been analyzing the death rate in various sections of New York City, and the first figures cover a section of the upper west side of the city. The employment of specialists has no doubt brought down the death rate in certain parts of the city where the well-to-do live, but in other sections the death rate is higher.

It is important to emphasize the advantages that may be expected from the supplying of funds to a family during illness. The continuance of nutrition is the most fundamental thing we must provide for. A tree will reveal in its rings of growth the lean and the fat years. So will the children of a community. Last year was a very lean year among the poor of New York, and we got a very large percentage of diseases among children, a great many respiratory diseases. These children were being starved into sickness. If one can assure the children, as they are growing up, continuous nutrition, we are going to go far toward health.

I should also plead that the clerks be not excepted. We have within the last six months made a study of the business offices in one of the large business blocks just off Broadway, in New York, and there, layered in twenty layers in some places, one will find hundreds of desks close together, the clerks who use them enduring insufficient ventilation, excessive heat, and poor lighting facilities, thereby severely affecting their health. Although we cannot say that the clerical work is what causes tuberculosis any more than numerous other causes, still it would be a great pity to exclude the clerical workers, because, due to the essential conditions of their environment, they have a risk which is not always recognized.

In a census of 31,000 people living in our District No. 1, we found 108 who were sick. Of course that was a very small proportion. Almost all the cases were due to digestive disturbances or to chronic diseases; there was no cancer, or syphilis, or the like, reported. We had a check on the tuberculous and communicable disease cases, but we got a very low rate. We are going to repeat the study in February and make a report by age groups, and we ought then to get a small indication of the cross-section of sickness, as you might call it, at certain age periods. The neighborhood I refer to is a characteristic Russian Jewish neighborhood.

ROYAL MEEKER, *United States Commissioner of Labor Statistics*: I would like to ask a question about that sickness survey in New York City. I wonder if the low returns mentioned were not partially due to the fact that uniformed health inspectors and police took the census. If we are going to get any accurate statistics, we have to use the most accurate methods of collecting them. Those who took the census were uniformed, and I think that may have scared the people so that they did not get accurate returns.

DR. EMERSON: I believe the census was accurate and correct, as it was all checked by nurses.

B. S. WARREN, *Surgeon, United States Public Health Service*: In discussing the papers on health insurance I shall confine myself to a consideration of the question of correlation of the administration of medical benefits with other health agencies. The wonderful possibilities of health insurance as a relief measure appeal to me very greatly, but as an officer of the United States Public Health Service I am much more impressed with its possibilities as a measure for the prevention of disease.

Up to the present time sickness insurance systems have failed of the greatest measure of success in preventing disease owing to a lack of proper correlation with other health agencies.

In Germany, where the medical benefits are administered by the "carriers" (which corresponds to the English "approved societies"), there was so much friction with the doctors that the "doctors' strike" resulted and it was only after a long and acrimonious dispute that a compromise known as the Berlin agreement was reached in the

early part of 1914. This agreement was considered at best only a temporary makeshift, but the war broke out soon afterwards and left little time for further consideration of the dispute.

It is hardly necessary to take up your time in pointing out just how unsatisfactory lodge practice is to both doctor and patient. The old careless methods of the "lodge doctor" in prescribing a pill or plaster for all ailments without regard to diagnosis are too well known to need discussion here. The subject, however, should not be left without pointing out that such a system permits but little freedom of choice of physicians; the members are usually limited in their selection to the one or more contract doctors of the society, who are too often doctors willing to underbid others in order to obtain the contracts.

In England, where, prior to the national insurance act, the benefit societies were highly developed, the lodge doctor was a familiar institution. At the time of the act there was such a demand for the abolishment of this method of medical relief that a provision was inserted in the act that the medical benefits be administered by the local government committees and a free choice be permitted from among all the physicians who registered on the panels of the committees. It should be stated here that out of about 25,000 physicians over 20,000 registered on the panels.

The English act, however, has this defect—it places the approved societies at a disadvantage by compelling them to pay cash benefits on certificates signed by physicians selected by the beneficiaries. It must be admitted that the physicians have been entirely too complaisant in signing certificates. Such practice has caused an unfair drain upon the funds and has encouraged malingering. To remedy this evil, some local committees have appointed disinterested physicians to act as referees for doubtful cases. This plan has proven satisfactory in practically all cases where it has been adopted.

In this country some of the large railway companies which operate benefit funds have left the matter of medical treatment to the family physicians but pay no cash benefit except on the certificate of the company surgeon, and they maintain corps of surgeons whose duties are to see and keep in touch with every insured sick person. The statement has been made by one of these companies that they could not maintain the solvency of the funds if they accepted the certificates of the patients' physicians.



In view of such experience in both Europe and America, it would seem best to place the administration of the medical benefits under governmental agencies and to insert a provision that no cash benefit be paid except on the certificate of a medical referee appointed by such agencies. Such medical referee should be selected according to civil service methods by the joint or federated action of the local funds from a list of eligibles submitted by the health insurance commission. After a probationary period of service satisfactory to the local or federated funds they should be given permanent appointment subject to removal for inefficiency or immoral conduct. Their duty would be to see each patient within the first four days of illness and to keep themselves informed as to the progress of his recovery. It is needless to say that the referees should not be permitted to engage in private practice.

With such a check on the payment of cash benefits, the medical and surgical treatment could safely be left to the physician of the patient's choice, and payment made on a capitation basis regardless of whether the patient was sick or well, after the manner of the English act. This method of selection and payment of physicians for the medical and surgical relief would offer every incentive to them to keep their patients well and to endeavor to please by rendering their most efficient service.

The greatest value of such a system of administration of the medical benefits would be in the corps of medical referees and in the opportunity it would offer for preventing disease among the insured persons and their families. It would be through this corps that the health insurance system could be linked up with other health agencies. The medical officers of this corps should be made officers of the health departments and clothed with all the powers of such officials. This would necessitate their selection and appointment with reference to their knowledge of preventive medicine as well as that of clinical medicine. It is not necessary to relate here the advantages which would arise from the visits of such specially trained men into the homes of all sick persons. Nor is it necessary to tell how these officers acting as health officers could further lower the sick rate.

This dual capacity could not result in conflict of duty, for one of their first duties in both capacities (that of prevention of disease) would be identical.

The objection could not be raised that such a corps would be too expensive. It would not require more than one such medical officer to every 4,000 insured persons and at that rate they could more than save their salaries by relieving the societies from paying unjust claims. Furthermore, while an estimate cannot be made of the amount to be saved by their efforts in the way of lowering the sick rate, it is safe to say that it will amount to many times more than the sum of their salaries.

In conclusion I wish to emphasize again the necessity for correlating the administration of the medical benefits of any proposed health insurance system with other health agencies. If health departments are at present inefficient, they should be strengthened and made adequate to meet all demands.

To pass a health insurance act simply as a relief measure without adequate preventive features would be a serious mistake, but with a comprehensive plan for disease prevention there is every reason to believe that it would prove to be a measure of extraordinary value in improving the health and efficiency of the wage-earning population.

DR. DEVINE: In line with the exceedingly valuable and interesting practical suggestions which Dr. Warren has made, it will interest the audience to know that the American Medical Association has appointed a special committee to cooperate with our committee in criticising and perfecting the medical features of the measure which the committee is proposing. I hope that with such assistance, as well as with the cooperation of the United States Public Health Service, and with the active work of our own members, we shall be able to work out a series of measures for the different states which will have the staunch and unanimous backing of the medical profession.

I. M. RUBINOW, *Statistician*: Dr. Davis is decidedly right in emphasizing the necessity for medical organization. As an illustration I want to point out one place where the necessity for such organization has been demonstrated during the last few years, and that is workmen's compensation. The cost of this branch of medical service has been estimated as between \$15,000,000 and \$20,000,000, but while the compensation laws were being adopted no effort was made to carry out any plan of medical organization therewith.

The result is that the treatment of one or two million people injured in this country every year goes on in the same disorganized way as before, except that the medical bills are being paid, and though the standard of medical bills has been somewhat reduced the service is not economical, nor efficient, nor sufficient. Moreover, while the system is extraordinarily expensive, most laws contain very strict limitations upon the amount of medical aid which the workmen may get. The most recent act, which is going into effect in three days, I think, is most pernicious in limiting the cost of medical services to \$25. As medical service is organized to-day, no specialized medical service can be purchased for \$25. The explanation of a good many of those undesirable limitations is found in the fear of the excessive cost of medical services on the part of the employers. A very interesting illustration is met with in New Jersey, where the situation is unique in that the allowance for medical service was reduced, while in most states it was increased. New Jersey had a limit of \$100 for two weeks, and that \$100 limit was, very soon after the law went into effect, cut down to \$50, as New Jersey employers seemed to think that if you have a \$100 limit every doctor is going to send in a bill for \$100. They called it medical graft. Now in Ohio it has been found that 80 per cent of the medical bills are below \$10. But the impression prevails that the physician is going to get all he can out of it. As a result a large number of acts make a limitation of two, four or six weeks. There should be a way of providing the injured with all the necessary medical services they require, and it should be made to cost a reasonable amount; but that is possible only through organized medical service. Only in this way can a man be given the service that he needs at a reasonable rate. Here is a little illustration to indicate how wasteful the present medical service is. I remember in Wisconsin the great objection to the requirement of examination before marriage was that the fee was limited to \$3 and that a Wasserman test was required, while the physicians declared that such a test alone cost \$10—couldn't be done for less. I happen to have a friend who is quite expert in making Wasserman tests, and he states that he is able to, and often does, make fifty to sixty tests in one day. But he is working for a medical institution, and I doubt if he receives \$10 a day for all the examinations. The fact is that the actual cost of making the Wasserman test is not very



much higher than making an ordinary test, but it costs \$10 under the present disorganized conditions of the medical field. Some insurance companies in New York are beginning to see the light and organize their own medical service, by which they are able to provide more medical aid than the law calls for. But the social and economic solution is some system by which all necessary medical care can be given to injured employees at a cost not greater than required at present for very limited aid.

MISS MARY C. WIGGIN, *Executive Secretary, Consumers' League of Massachusetts*: I am not able to speak with reference to the points which the National Consumers' League has made, but I would like to bring out this point: Suppose a woman to be earning \$15 a week. Suppose a married man to be earning the same \$15. I would like to ask Professor Seager whether they are to pay the same rate of insurance, although the man may have a family of four, in which case the insurance covers five people, while the woman's insurance covers only herself. Also whether the insurance may be paid once for the husband and once for the wife? And the third point I would like to understand is whether a single woman may be considered to have a family if she is supporting her mother and her widowed sister, and two children of the sister?

PROFESSOR SEAGER: The rate of payment is the same on each insured employee, in the sense that each pays in proportion to wages into the fund to which he belongs. If he belongs to a trade society where the illness rate is very low, the burden on him or her will be correspondingly low, but for each individual in the same society receiving the same wages the burden is the same. The only point at which the family comes into the system is in connection with medical care, and although the bill does not define very carefully what the family means, it was intended to include those who are dependent upon the wage-earning member who is insured. Therefore the single woman in the case you name would make a contribution to a fund one charge on which would be medical care of families of insured persons with families. But of course in insurance it is the risk that one pays to be protected from, and as the insured are called upon to meet only two-fifths of the expense the payment on the part of the insured can hardly be considered

excessive in the sense that they do not get back an equitable proportion of what they pay.

MISS WIGGIN: Then in the man's case the insurance would cover five people, while in the woman's, if she were single, it would cover but one?

DR. DEVINE: The medical, but not the cash benefit.

PROFESSOR SEAGER: The fund does not come solely from the contributions of the employees.

PHILIP O. PARSONS, *Syracuse University*: I would like to ask, in connection with the objection of the Consumers' League to the maternity benefit, did the committee take into consideration the feature of the German scheme of allowing the amount of the maternity benefit to be in proportion to the total income of the family? Second, what is done with the bad risks? And third, is invalidity included in the bill?

PROFESSOR SEAGER: The committee is still puzzled about this maternity insurance provision—not satisfied, and not quite clear as to how it should be modified. We are considering the plan that you speak of, of limiting the cash benefit so it would not be much of an inducement to married women to become employed.

As to invalidity insurance, the bill as worked out does not provide for invalidity insurance—only for an illness benefit for twenty-six weeks. But we have in mind a supplemental bill that will provide for this kind of insurance.

The only provision to protect the fund from bad risks applies to the voluntary insurance. They are privileged to participate in the plan only after they pass a satisfactory medical examination. The bad risks in connection with those who are compelled to be insured we feel ought to be carried, on the ground that this is a health insurance plan, and the worse the risk, from the general public point of view, the greater the need.

J. M. HANSON, *General Secretary, Youngstown, Ohio, Charity Organization Society*: I also wish to ask Professor Seager a question. Why is it you consider it desirable to build up for health insurance this social insurance commission plan of administration,

with our industrial commission system already established in some states? The machinery, it seems to me, could be utilized, which would be duplicated, according to your plan.

DR. DEVINE: Professor Seager will answer all these questions later on in the proceedings.

MR. DRISCOLL, *West Virginia*: I want to inquire if there is any differential based on race? The low death rate shown in the survey of which Dr. Emerson spoke may be due to the fact that that particular section of New York is largely Jewish. The Jewish death rate is only one-third that of the Irish, for example. Could a race differential be established in health insurance? I suppose there would be some differential where sicknesses were the result of occupational causes. It seems to me that there should be something to put a premium on those industries that make the sanitary conditions as good as possible. There should also be a premium on those individuals who are careful in their habits.

MR. OLSON, *Washington*: I wish to offer an amendment to Section 3, of the bill, namely, to strike out the words "manual labor," for the simple reason that artists, stenographers, teachers, and the like, would be excluded by that wording. I think it is a very dangerous thing to start with exceptions. It is hard to draw the line between manual and intellectual labor. The compositor, for instance, is a manual laborer—so to speak, and yet he has sometimes more intellectual labor to perform than the author. Teachers would not be considered persons doing manual labor. Why should they be excluded from insurance? Another suggestion would relate to Section 5. I think self-employed persons not receiving \$100 on the average a month ought to be covered by compulsory, not by voluntary, insurance. If they become a burden on the community the state would have to pay the larger share. Why should they be left to themselves? Moreover, what about the members of the family of an employer who work in his establishment without wages? Ought we to discriminate between people who work from necessity and members of a family who work for pleasure? The only way, I think to catch all persons employed at home labor, is to put them under compulsory insurance; unless you come at them in this way they will always escape any insurance whatsoever. They do not come in now under any of the clauses of this bill,



THEODORE C. MERRILL, *United States Bureau of Chemistry*: I would like to emphasize two points referred to with regard to the Wasserman reaction. The first point is the extremely technical character of this test, which many people do not understand. They think that a Wasserman test is very easy to make, and that any one can do it, when such is far from the case. It requires very acute attention, special preparation, and there are not many people who can make the test and be perfectly sure of their results. That being the case, the second point, that of cost, is extremely important. You see Wasserman reactions advertised in various medical journals and otherwise, at figures below \$5. As Dr. Rubinow pointed out, this test cannot be carried out, under present circumstances, for less than about \$10. People engaged in public health work should understand this fully. It is positively useless to depend upon such a reaction as that unless it is properly done.

PROFESSOR SEAGER: I am not sure that I noted all of the questions, but if I did not our stenographer noted them, and I can assure the questioners that they will receive the very careful consideration of the committee.

Mr. Hanson's suggestion regarding the desirability of avoiding the duplication of administrative machinery, in connection with this new phase of social insurance, must appeal to us all, and I want to say that the plan proposed in this bill was a plan that was thought out in connection with New York, with its large population, where the commission administering the labor and compensation laws complains that it is already overburdened.

I fear that I have not made myself perfectly clear as to what the bill provides with reference to non-manual labor. It does not cut out this class of workers entirely, as seems to be thought by some of the speakers. It merely proposes a limit for them beyond which insurance shall not be obligatory, that is, the dividing line is at earnings above \$1,200 a year. I will confess that that limit is too low, and ought to be higher; but obviously there must be some limit if we are going to make the benefit two-thirds of the wages. We cannot take in \$50,000 employees and provide that the employing corporations shall pay them two-thirds of their wages for twenty-six weeks, if they are ill.

My own feeling is also that drawing a distinction between manual

and mental work is not in harmony with our American conditions. That was borrowed from European laws. I cannot emphasize too strongly the fact that this bill is a tentative one. It represents the best thought that a few of us have been able to give to the subject and is by no means a document with which we are thoroughly satisfied. We are eager for suggestions of every character that will adapt this measure better to our American conditions, so as to meet the very real difficulties which will arise in connection with administration. And we are especially alive to the need of articulating this plan with the hospital and dispensary developments that have already occurred in the field of medical service.





## II

### PROTECTIVE LEGISLATION FOR SEAMEN

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*Presiding Officer:* WILLIAM B. WILSON

*Secretary of Labor*

WASHINGTON, D. C.



## THE SEAMEN'S ACT OF 1915

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HENRY W. FARNAM

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Whoever takes a broad view of the history of the seas during the past half century must be profoundly impressed by two striking facts. One is the wonderful progress made by man in his domination of nature; the other is the lack of progress made by man in governing himself. He has built steamers of a speed and power thought impossible a generation ago. Waves and wind have comparatively little effect on the regularity with which our ocean greyhounds cross the Atlantic on a schedule of seven, six, and even less than five days. Progress in the preservation of food gives us a variety and luxury of diet which half a century ago could not have been commanded on the most expensive steamers and which the great majority even of first-class ocean travellers seldom enjoy upon land. Wireless telegraphy has made it possible to flash the S. O. S. call across the waste of waters and to bring to a ship in distress within a few hours a swarm of helpers. Safety appliances and signalling devices have been multiplied.

And yet in spite of all this wonderful progress the number of lives lost on the water seems to have gone up steadily. In a table reprinted by the Senate Committee on Commerce it appears that, taking the disasters by five-year periods, the number of lives lost at sea and on the Great Lakes has gone up from 1,018 in the period 1860 to 1864, to 5,445 in the four years and five months beginning with 1910. Even if we allow for defects in the statistics of the earlier years, and disregard them, we still find the same tendency during the past twenty years. The number of lives lost has more than doubled since 1895. It may be objected that these figures do not take account either of the number of passengers and sailors navigating the seas, or of the mileage, and an exact statistical comparison should undoubtedly allow for these. But



the bald fact stands out clearly that during a period in which immense progress has been made in all the mechanical methods of saving life, the number of lives lost has increased.

The story is made more impressive if we turn from these gross figures and consider the individual disasters which have done so much to swell the totals. The depressing fact is that in many of these cases the cause of the disaster lay in some imperfection of human nature, and not in the elements. The *General Slocum* went down in 1904 in the North River destroying 955 lives, in consequence of a fire caused by somebody's carelessness. The *Titanic* went down with 1,517 lives in a perfectly calm sea. The *Empress of Ireland* sacrificed 1,027 lives in the St. Lawrence River within a few miles of shore, and more recently the *Eastland* turned turtle in the Chicago River and nearly a thousand more perished. It is not necessary to assign blame to any individual in reviewing the history of these disasters. Whether an accident has been due to bad judgment on the part of a commander, to an excessive fondness for profits on the part of the directors, to insufficiency or inefficiency of seamen, the broad fact remains that with the elements at rest, and with every opportunity for estimating their force and their behavior, some failure of the human mind has either brought about the disaster or stood in the way of saving life.

The leading thought of the act of March 4th, 1915, which we are to discuss is that it lays stress upon the human element as distinguished from mechanical contrivances. It tries to secure better seamen with better training to do the work and to provide for the emergencies at sea. This is only the central aim. The act itself is a long act, dealing with many different subjects. It is a technical act. It has been fully discussed in the proceedings of Congress, in the public press, in the publications of the Seamen's Union, on one hand, and by various commercial bodies, on the other. It would be hopeless and needless for one who is neither a sailor nor a naval officer, nor the manager of a steamship company nor a diplomat, to try to contribute any new facts to the discussion. But it may not be useless to emphasize a point of view, which, if not new, is not generally heard, and to represent that diffused interest of the general public which, though broad in extent, is lacking in concentration and was typified by the late Professor

Sumner in the phrase "the forgotten man." The general public, of course, includes some who are sailors, some who are officials, some who are stock-holders or directors of steamboat companies, but, as a mass, we are more interested in results than in methods, and there are few of us who are not either directly or indirectly concerned in the subject. If we go abroad, or travel along the Atlantic or Pacific coast, or on the great inland waterways, we are interested as passengers in reaching our destination safely. If we use any imported articles, as when we drink a cup of coffee, or read a foreign book, or wear an imported fabric, we are interested as consumers of what was at one time freight. If we produce anything which is exported—wheat, cotton, typewriters—we are interested as producers. Finally, we all have as Americans an interest, which may be called sentimental, if you please, but which is none the less real, in seeing the American flag on the ocean, and in desiring that those who sail under that flag, whether passengers or crew, get better treatment than those who sail under any other flag. We would like to see on American ships something like that broad white line which still records on every British ship the heroic fight made a generation ago on behalf of the British sailor by Samuel Plimsoll. Moreover, we are, I believe, willing to pay for what we want. Neither the American traveller nor the American consumer is niggardly. We are not asking for favors, or for an addition to our income, but we are asking for standards and we are willing to pay the cost.

To see the act of 1915 in its proper perspective we must take at least a glance at what has preceded it. Legislation for the protection of American seamen goes back to the very beginning of our history. In the very first session of the First Congress a resolution was passed on July 20, 1789, "that a Committee be appointed to bring in a bill or bills providing for the establishment of hospitals for sick and disabled seamen." The committee did not complete its work until nine years later, but in the meantime a law was passed, July 20, 1790, for the government and regulation of seamen in the merchant service. On one hand it aimed to protect the seaman against bad treatment and injustice; on the other hand it aimed to protect the owners and captains against desertion and wrongdoing on the part of the seamen. The basis of its regulation was the requirement of a formal contract in writing between the

seaman and his employer. In the absence of such an agreement the master was required to pay the highest wages paid at the same port for a similar voyage during the previous three months. In case a seaman did not sign the agreement, he was not subject to the regulations or penalties of the act. Provision was made for an investigation of unseaworthiness on the part of the ship. If a chief mate and a majority of the crew thought the vessel too leaky or unfit in respect to tackle, provisions, or stores, the master was required to stop at the nearest port and make a careful investigation. The payment of wages was secured by requiring the captain to pay one-third of the wages due at every port at which the ship should discharge her cargo, and the balance at the end of the voyage. Every ship was to carry a medicine chest and a certain minimum of supplies such as sixty gallons of water, 100 pounds of "salted flesh meat," and 100 pounds of wholesome ship bread for each person on board. In case of a short allowance the master was to pay each one of the crew one day's wages for every day of short rations. On the other hand, penalties were put upon the seaman for absenting himself from his duty and for desertion. If he failed to render himself on board at the hour and on the day set in his contract, he forfeited one day's pay for each hour of tardiness. If he absented himself from the ship without leave, and returned within forty-eight hours, he forfeited three days' wages for each day of absence, but after forty-eight hours he forfeited all wages due him and all his property which might be on shipboard. If he deserted at any port, a justice of the peace might issue a warrant and have him arrested, and on conviction he might be committed to a house of correction or common jail, until the vessel was ready to sail or until the master required his discharge, and the costs might be deducted from his wages.

These provisions constituted what has been recently called "involuntary servitude" for the sailor, but it should be remembered that this was the legal status of the ordinary wage worker in England at that time, and that even in the United States mechanics could be indicted for a combination to raise their wages. Therefore, as compared with the legislation of the time, this act represented progress, inasmuch as it did provide special standards for the treatment of sailors and for their protection from abuse.



In 1798 Congress passed the law providing for the establishment of marine hospitals. It imposed a tax upon the sailors engaged in the foreign and coasting trade of 20 cents a month. This tax was to be advanced, however, by the master of the vessel and deducted from the wages due. Out of the funds thus raised the President was authorized to furnish temporary relief in hospitals or other institutions to sick and disabled seamen. This law was passed with no serious opposition and after a very short debate in the House. Subsequent legislation has changed its original terms, extended its provisions, elaborated its details, and the marine hospital service which it called into being has gradually expanded into what is virtually a great health department of the government, covering quarantine, the inspection of immigrants, and other important fields of sanitation. This act was justified by two considerations. (1) It was intended, by making the life of the sailor more secure, to build up a merchant marine whose seamen would be feeders to the navy. (2) It was intended to improve the condition of a class of men whose life has time out of mind been peculiarly subject to dangers from the elements and from "man's inhumanity to man," and who have always been improvident and helpless in caring for themselves.

In the early days, the chief hazards of the seaman's life were those connected with his life at sea. There was danger of sickness or accident; the ship might be unseaworthy, the provisions insufficient, the captain or owners false to their obligations. In the course of time, as the seaports grew to great cities, the dangers upon the land became almost as great as those of the sea, though of a different nature, and it became necessary to protect the seaman against the land sharks, and crimps, and other people who were lying in wait for him as soon as he set foot on shore, and even before. The sailor and his money are soon parted. Not only have the land sharks found it easy to get the seaman to spend his money for that which is not bread, but they have found it equally easy to get him to pledge, for things that do not satisfy even though they may temporarily cheer, the money which he expects to earn in the future. Thus arose the great evil of inducing seamen to pledge their wages in advance for drink and for other indulgences.

This and similar matters were regulated by the act of June 7,

1872. In some respects this act simply carries further the provisions of the act of 1790. It provides against unsatisfactory provisions. In addition to the requirement of the medicine chest, it insists upon the ship's carrying lime juice or other antiscorbutics, and it requires the master to carry a supply of warm clothing. On the other hand it makes provision for the discipline of seamen, and penalizes desertion. But, in addition to these extensions of the original act, it provides for the appointment by the district courts of shipping commissioners. In other words, it creates a special administrative department to look after the interests of the seamen. The commissioners are entrusted with the duty of seeing that the contracts of service are properly made and a penalty of \$200 is put upon taking seamen to sea without such contract. In case of illegal discharge compensation must be given, and the assignment of wages in advance is restricted.

The old maxim that freight is the mother of wages is to a certain extent restricted. To be sure, the hard traditional law of the sea that wages stop with the loss of the ship in case of shipwreck is formally confirmed, but it is expressly provided that the seaman shall have a lien upon the ship for the payment of the wages due and that his wages are not dependent upon the earning of freight by the ship, even in the case of wreck. His claim for past wages can only be barred by a proof that he has not exerted himself to his utmost to help save the ship.

The evils of the land conditions are dealt with by imposing a penalty upon anyone who shall board a vessel before its actual arrival in port and who shall solicit lodgers among the seamen. The act of 1872 was incorporated in the revised statutes of 1878, and has thus become in a sense a permanent part of our seamen's code, though it has been supplemented by a number of other acts, notably those of 1884, 1886, 1895, 1897, 1898, and 1906.

In 1884 the act of June 26 was passed which stated as its purpose the removal of certain burdens on the American merchant marine. It amended a number of sections of the revised statutes relating to the discharge of seamen, the unseaworthiness of vessels, extra wages, desertion, and the return of destitute seamen. It made it unlawful to pay seamen's wages in advance of being earned, or to advance wages otherwise than to an officer authorized to collect them. Exception was made only in the case

of the allotment of wages to a mother, wife, or other relative. Ships were required to carry slop chests and to sell clothing to seamen at an advance of not more than 10 per cent above the wholesale cost. As an aid to shipping, tonnage dues were reduced, vessels were given a drawback on materials imported when the vessels were sold abroad, and the liability of shipowners was limited to the proportion of all debts that each one's share bore to the whole value, while the aggregate liability of owners was not to exceed the value of the vessel and freight pending. A change was made in the appointment of shipping commissioners, who were henceforth to be appointed by the Secretary of the Treasury.

In 1886 the law of 1884 was again amended. Allotment of wages was now allowed not only to a wife or relatives, but also to an original creditor for board and clothing, for an amount not exceeding \$10 a month for each month of the time usually required for the voyage for which the sailor shipped. The limited liability of owners of vessels provided in 1884 was extended to owners of vessels on lakes and rivers, canal boats, barges and lighters. Whaling vessels and fishing vessels were not required to carry slop chests.

The act of March 2, 1895, amends the act of 1882 providing for deductions from the gross tonnage of vessels, and makes many technical regulations with regard to measuring the tonnage. It provides that in ships built after June 30, 1895, seventy-two cubic feet of space and twelve square feet of deck or floor room shall be allowed for each member of the crew, properly lighted, drained, ventilated, and heated.

A new and comprehensive seamen's act was passed on December 21, 1898. This goes fully into the matter of wages, maintenance of discipline, and the like. It modifies in many particulars the penal division of the act of 1872. The offense of combining to disobey lawful commands or to neglect one's duty or to impede the navigation of the vessel or the progress of the voyage is entirely omitted, and the number of offenses is reduced from nine to eight. In other cases the penalty is moderated. In the case of desertion or wilful disobedience, imprisonment is retained only if the ship is in a foreign port, and the term is one month instead of two. For continued wilful disobedience the offender may at the option of the master either be put in irons on bread and water or, if



in a foreign port, he may be imprisoned for not over three months, the previous penalty having been six months.

The act of June 28, 1906, provides in four short sections a penalty for shanghaiing. The term is used in the title of the act. The offense consists in inducing people by threats or force or while the person is intoxicated or under the influence of drugs, to go aboard a vessel or sign any agreement. A penalty not exceeding \$1,000 or one year's imprisonment is imposed on those who commit this act, or detain any one on board under such conditions, or aid in or abet the offense.

We may summarize the matter by saying that a series of acts, beginning with the First Congress of the United States and running through more than 100 years, have attempted, very slowly to be sure, to protect the sailor against bad food, bad quarters, and bad treatment at sea; against fraud and violence on land. The penalties upon combination have been lessened, and yet the status of the sailor was still until 1915 that of the wage receiver of the eighteenth century, in that he might be forced by a criminal prosecution to fulfill his labor contract. At the same time the liability of shipowners to shippers had been definitely limited by the act of 1884 to the value of the vessel and freight pending, and this is understood to mean the value of the vessel at the time of the wreck, whereas the British merchant shipping act of 1894 makes the shipowner liable to the extent of \$40 a ton for cargo damages, and \$75 a ton in respect to claims for loss of life.

The loss of the *Titanic* on April 14, 1912, gave the question of safety at sea a publicity which made it an international question, and this resulted in an international conference held in London from November 12, 1913, to January 20, 1914. This conference was attended by representatives of the German Empire, Australia, England, France, the United States, and nine other nations. The United States was represented by thirteen delegates, including Senators Burton and Lewis, Representative Alexander, and Andrew Furuseth, the president of the Seamen's Union. The latter, however, resigned his commission before the sessions were concluded and did not join in the final report. The outcome of this international conference was an agreement in seventy-four articles followed by an elaborate series of regulations specifying details which could not be incorporated in the convention itself.

The convention is intended to apply to vessels of the contracting parties which are mechanically propelled, which carry more than twelve passengers, and which proceed from a port of one of the states to a port situated outside of that state, or conversely. It is therefore clearly limited to passenger vessels and does not affect the sailors on any others. Nor does it affect sailing vessels at all. The convention also excepts "vessels making voyages specified in a schedule to be communicated by each high contracting party to the British government at the time of ratifying the convention."

Elaborate provisions are made with regard to the destruction of derelicts, the construction of vessels, and radio-telegraphy, into the details of which it is not necessary to enter, while the regulations appended to the draft of the agreement specify more fully what is to be done with regard to the reporting of ice and the exchange of meteorological information. The features which most concern us here are those relating to life saving. It will be recalled that the *Titanic* survivors on the *Carpathia* passed resolutions calling attention to the inadequacy of life saving appliances on the ill-fated ship, and the insufficiency of men to handle them. The conference accordingly adopted elaborate provisions with regard to lifeboats, life-rafts and life-preservers. It provided that "at no moment of its voyage may a vessel have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats and the pontoon life rafts on board."

The lifeboats must conform to a certain standard, and the davits must be of such strength that the boats can be lowered with their full complement of passengers when the vessel has a list of 45 degrees. There must be for each boat or raft a minimum number of certificated lifeboat men, and a table specifies the details, which require three such persons for boats or rafts carrying less than sixty-one persons, and an increasing number up to seven for the largest boats. There are important limitations in the application of these rules, which were criticized at the time by Mr. Furuseth, but which need not be specified here.

It will suffice to say that the seamen's act of 1915 represents in part the result of efforts made for years to improve the status, quality and working conditions of the sailor, in part the desire for greater safety exemplified in the international conference.

Of its twenty sections, just ten (Sections 1, 3, 4, 5, 6, 7, 8, 9, 14, and 19) provide for amendments to earlier legislation. They embody in most cases not so much a new policy as the extension of an old policy. More than half of the entire act is devoted to Section 14, which gives in great detail regulations regarding the size, equipment and required numbers of lifeboats, life-rafts, life belts, and other life-saving devices. These are based in the main upon the work of the International Conference of 1913-1914.

It would be confusing to give all of the provisions of the act, but they may be summarized under a few heads.

1. A number of provisions relate to the conditions of labor or of living at sea. The allowance of water per day is increased to five from four quarts, the allowance of butter to two ounces from one. The space to be allowed on all merchant vessels of the United States excepting yachts and pilot boats of less than 100 tons register is to be 120 cubic feet, and not less than sixteen square feet on the deck for each man. The act also requires a separate berth for each seaman and proper lighting, draining, heating, and ventilation, also proper washing rooms and the fumigation of forecastles at such intervals as may be required by the surgeon general of the public health service. Steamboats on the Mississippi River or its tributaries must furnish a proper place for the crew. Sailors are to be divided at sea into two watches at least, and firemen, oilers and water tenders into at least three watches. When in a safe harbor the hours of labor are not to be more than nine, and no seaman shall be required to work on Sundays or on five specified holidays. Seamen may not be worked alternately in the fireroom and on deck, nor shall those shipped for deck service be required to work in the fireroom, or *vice versa*.

The conditions with regard to the payment of wages are more favorable. They now apply to vessels engaged in the coasting trade and not merely to those sailing between Atlantic and Pacific ports as in the revised statutes. Formerly wages had to be paid on intercoastal traffic within two days after the termination of the agreement, now within twenty-four hours. In the case of foreign voyages they were formerly paid within three days after the cargo had been delivered or within five days after the seaman's discharge, whichever happened first. Under the new

law they must be paid within one day after the cargo has been discharged or within four days after the discharge of the seaman, and the penalty upon violation is increased. Seamen are now entitled to receive half of their wages earned, instead of one-third as formerly, at every port at which the cargo is loaded or delivered, and all releases of such an obligation are void. The earlier fraction had been increased to one-half in 1898, but the provision had frequently been nullified by agreements inserted in the shipping contract. A significant feature of this provision is that it applies to seamen on foreign vessels while in harbors of the United States and opens the courts of the United States to them, this being intended to prevent vessels with a foreign crew from having an advantage over American vessels in foreign ports. Complaints with reference to the unseaworthiness of a vessel or with regard to its supplies are made somewhat easier and any form of corporal punishment is prohibited under a penalty of not less than three months' or more than two years' imprisonment to be imposed upon the officers guilty of a violation of this provision. Flogging had been prohibited in general terms under the act of September 28, 1850, but no penalty had been imposed.

The penalties for certain offenses at sea had already been mitigated by the act of 1898. Some of these penalties are still further reduced, but for wilful disobedience at sea the offender may still be put in irons on bread and water with full rations every fifth day at the option of the master, and upon arrival in port may be imprisoned for not more than three months, while it is made the duty of consular officers to discountenance insubordination by every means in their power.

2. The wage contract is modified by the provision already quoted which requires the payment of one-half of the wages earned at every port at which the cargo is loaded and delivered as well as by the omission of any penalty upon desertion, excepting the forfeiture of the clothes and other property left on board and of the wages earned.

3. The act requires certain standards for the crews which are new. This part applies to vessels of 100 gross tons and upwards excepting those navigating rivers and the smaller inland lakes, and it provides that no such vessel shall be permitted to leave any port of the United States, unless it carries a crew of which not



less than 75 per cent "in each department thereof, are able to understand any order given by the officers of such vessel, nor unless forty per centum in the first year, forty-five per centum in the second year, fifty per centum in the third year, fifty-five per centum in the fourth year after the passage of this Act, and thereafter sixty-five per centum of her deck crew, exclusive of licensed officers and apprentices, are of a rating not less than able seaman." It then defines "able seaman," providing in brief that he must be nineteen years of age or upwards and must have had three years' service on deck at sea or on the Great Lakes in order to be qualified for service at sea, or he must have had eighteen months' service on deck to qualify for service on the Great Lakes. Graduates of school ships may be rated as able seamen after twelve months' service at sea. Examinations are provided to test them for eye-sight, hearing, and physical condition under regulations prescribed by the Department of Commerce, and penalties are provided for false statements with regard to the matter.

4. The provisions for life-saving apparatus contained in Section 14 take up about two-thirds of the act. These provisions enter into great detail regarding the kind of lifeboats, life rafts, and life belts required, regarding the means of launching boats and rafts and the manning of them. The law provides a minimum number of boats and a minimum capacity based on the registered length of the ship. It requires that "at no moment of its voyage shall any passenger steam vessel of the United States on ocean routes more than twenty nautical miles offshore have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats and pontoon life rafts on board." In such case, if the lifeboats attached to davits do not provide sufficient accommodation for all, additional lifeboats of one of the standard types shall be required sufficient to accommodate 75 per cent of the persons on board, the rest being accommodated in boats or rafts of a different type. In the case of passenger steamers on ocean routes less than twenty nautical miles offshore, the requirement is lessened and it is made still less during the summer months from May 15 to September 15. On the other hand, an ocean cargo steam vessel may not have a larger number of persons than that for whom accommodations is provided in lifeboats. On the Great Lakes during the summer months,

the requirement is merely that passenger steamers must have accommodations in lifeboats and pontoon life rafts for not less than 50 per cent of the persons on board and of these only two-fifths need be in lifeboats, but in the case of cargo steam vessels on the Great Lakes accommodation must be provided in lifeboats for all. A minimum number of certificated lifeboat men is also required for each boat or raft, ranging from one for boats carrying twenty-five persons or less, up to seven for those carrying from 161 to 210 persons and one additional man for each additional fifty persons.

5. International relations are regulated by Sections 16 and 17, according to which articles in treaties as far as they provide for the arrest and imprisonment of officers and seamen deserting or charged with desertion from merchant vessels of the United States in foreign ports, and *vice versa*, ought to be terminated, and the President is directed within ninety days after the passage of the act to give notice to that effect to the several governments concerned. Upon the expiration of the periods required respectively by those treaties and of one year in the case of the Congo State, the articles of those treaties shall be deemed to have expired and Sections 5280 and 4081 of the revised statutes (or such parts as relate to the arrest of foreign seamen deserting in the United States) shall be repealed.

6. The liability of ships is regulated by Section 20 which provides that in suits to recover damages for injury on board a vessel, seamen having command shall not be held to be fellow servants with those under their authority.

The criticism of the act has come entirely, as far as the writer has been able to observe, either from the shipping interests or from interests that are allied with them. In using this expression I refer to those which, while they may not be directly concerned with the sea, are interested as employers and are therefore directly concerned in anything which affects the relations of employer and employee. If we can take the resolutions of the board of directors of the National Association of Manufacturers as a type, we find that its criticisms relate to three different matters.<sup>1</sup>

1. The labor contract. Section 4 provides that only one-half of the wages earned shall be forfeited in case a sailor deserts at a port, and gives seamen on foreign vessels in harbors of the

<sup>1</sup> *American Industries*, November, 1915, p. 11.

United States the same rights, while Section 7 does away entirely with the criminal penalty put upon desertion by Section 7 of the act of July 20, 1790. In one sense this is a radical measure for it changes the practice of many years. From another point of view it is a belated reform. When the act of 1790 was passed, a violation of a labor contract on land was a crime in England, and labor legislation in the modern sense of the word was unknown. Even child labor laws had not been passed. We all know the change that has taken place in the status of the laborer on land. Not only a voluntary stoppage of work but a combination to stop work by means of a strike is recognized as legal throughout the industrial world, and the worker is entitled to the full payment of such wages as he has earned. The forfeiture of half wages still shows the seaman in a less advantageous position than the land worker. Of course it is true that the seaman works under exceptional conditions, that discipline is more important than in land industries, that he is away from home and from the ordinary restraints of community life. The act, however, retains the right of discipline by force when at sea. It is only in a safe port that the old law is relaxed. Now, the effect of such a law can only be anticipated by comparing it with other laws, and it is not true that with greater liberty the worker has on the whole become less efficient or less responsible. Are we to treat the seaman as in a class by himself, or is he subject to the motives that actuate the rest of mankind? It needs no evidence to show that the seaman is usually born on land like the rest of us. His father and mother, his brothers and sisters, eat the same food, wear the same clothes and follow the same occupations as other people. The sailor does not become web-footed by going to sea, and if, as often happens, he retires from life before the mast to go into farming or to become a painter or a gardener, he is indistinguishable from the mass of the population, except perhaps by knowing how to tie knots and being generally more handy. He might well say with Shylock: "If you prick us, do we not bleed? If you tickle us, do we not laugh? If you poison us, do we not die? and if you wrong us, shall we not revenge?" It is a common experience that human beings respond to the treatment which they get. There may be exceptions. But as a rule, if a man is treated like a brute he will

tend to become a brute, and if it assumed that he must always be under tutelage, he will probably remain irresponsible. There was a time when it was thought that flogging was necessary at sea. But it has been given up and its abandonment as a means of enforcing discipline on ship is clearly in line with the progress in other walks of life. On the other hand, the way to draw a better class of men into a profession is to improve the conditions of work and raise the standards of efficiency.

2. The second criticism is aimed at the standards of efficiency required for seamen. The purpose of Section 13, which requires the language test and a certain percentage of able seamen, is to secure the safety of passengers and ship. In order to see this provision in the proper perspective, let us look at other occupations. A good many years ago the fire department of the city of Berlin was partly made up of men who were ordinarily engaged in sweeping the streets. When the fire alarm sounded, they reported at the engine houses and went off in big barges to man the hand pumps. If at that time someone had claimed that it was quite unnecessary for as many as 75 per cent of these people to understand the language in which orders were given or for 65 per cent of them to have had proper training in fire department work, the argument would have been quite parallel to that which is now set up against Section 13.

A great change has taken place in the last half century in the functions of seamen on steamboats. Long after steam had become the main motive power, ocean-going ships were equipped with masts and sails which were frequently used to supplement the steam. The deck hand was a sailor as well as a seaman. He had to understand how to handle the rigging of a ship, and know the technique of his calling. Now, as has been frequently pointed out, the steamships make practically no use of sails, and the seaman is mainly occupied in cleaning the decks, polishing the brasses and acting as lookout. Comparatively few men are needed for this purpose, and it is not especially important that they should either be able to understand the officers or that they should have had experience in their calling in normal times. But if an accident occurs and the boats have to be launched, or if the S. O. S. call comes across the waters and the steamer has to stand by and rescue the crew and passengers of another ship, then they are put to the severest test. They must not only know



what to do but they must be able to obey orders quickly. They are very much in the position of the fire department in a modern city. There are many hours and many days when the firemen lead an almost idle life, but we are willing to pay them good wages in order that, when the emergency arises, they may be ready to meet it. In the old days of sailing vessels, and even in the days of steamboats with ample sailing power and few passengers, a crew good enough for the ordinary work sufficed for the emergency. Now it does not, and yet those who oppose the seamen's act are unwilling to spend the money necessary to secure a crew that will be equal to the occasion. Apply the language test to a fire department, and to resist such a moderate requirement as that 75 per cent of the crew shall be able to understand orders would seem preposterous. But we need not confine ourselves to an analogy. We actually have a decision of the Circuit Court of Appeals of the United States recognizing that merely as a matter of law a steamboat company fails in its duty and forfeits its right of limited liability if, through the failure of the crew to understand orders, loss of life and property results.<sup>2</sup> It will be noted that the law does not require that the crew shall understand the language native to the officers, nor any particular language. All that is required is that they shall understand the language in which the orders are given. If the officers will take the trouble to learn the language of their crew, or the crew will learn enough of the language of the officers to understand the orders, nothing more is required.

According to the interpretation put upon this section by the Department of Commerce, the words "able to understand any order given by the officers of such vessel" mean the necessary orders given to the members of the crew in each department in the course of the performance of their duties. It is not necessary that a waiter should understand orders normal to the engine room force, or that a stoker should understand orders relating solely to the work of a deck hand, though orders relating to lifeboat work or emergency work should be understood by all members of the crew who may be called upon to perform such duties.<sup>3</sup>

<sup>2</sup> See summary of *Pacific Mail case*, 1904, in *Lawyers' Reports Annotated*, Book 69, 1905, p. 71.

<sup>3</sup> See Department of Commerce, *Circular No. 265*, issued September 18, 1915.

From the point of view of the passenger this provision is not excessive. It does not require an American crew, nor even an English-speaking crew. It does not even require that all of the crew shall understand orders; only 75 per cent. Nothing can force the remaining 25 per cent to distribute themselves evenly throughout the boat. It may well happen that in a given lifeboat you will have no others. Germany requires that only white men may be employed on deck on steamers carrying the imperial mail under contract or trading on subsidized services.

It is claimed that this section will increase the expense of running steamboats, partly because it will require more sailors, and partly because it will require better ones or sailors who come from countries of higher wages. It is not impossible that this will be the case. If so, the burden will fall most heavily upon the passenger steamers, because they are the ones which will require relatively the largest number of men to man the boats.

A good many figures have been published by steamship companies to show the difference between the cost of running ships on an American wage scale and on a foreign wage scale. Most of these give only aggregates, which always sound large. It is impossible to judge how great a burden the additional cost entailed by the seamen's act will be, unless we can reduce these aggregates to a passenger rate, so as to show how much each individual would have to bear. Indeed any prediction as to the exact effect of such a law must at best depend upon a somewhat uncertain estimate, and must also vary with different boats. Mr. Furuseth has made such an estimate for a vessel of the largest type, such as the *Lusitania*, and his figures indicate that the addition to the expense for the crew, allowing for the extra wages and the extra maintenance, will be about \$700 for a round trip, or, allowing only 1,400 passengers, about two-thirds of the maximum, 25 cents a trip for each passenger. If the higher wages were applied to the stokers as well, the extra cost would be about \$1.60 a passenger, still allowing only for about two-thirds of the full complement of passengers.<sup>4</sup> Assuming only a five days' passage this would be about 32 cents a day. To see what this would amount to, we need but compare it either with the total passage

<sup>4</sup> See *Proceedings of Nineteenth Annual Convention of Seamen's Union*, 1915, pp. 193, 194.

money or with the incidental expenditures of first class passengers on other things. Such a passenger, if he makes use of porters, would think nothing in the course of a land journey of giving three or four tips a day of 25 cents each. If he smokes, 32 cents a day would be a moderate outlay. If he drinks anything beyond water with his meals, even if he only takes mineral water, he could hardly spend less than that. Yet many people make expenditures under all of these items without a thought. They spend easily on ocean tips alone to the stewards, the bath man, the boots, the musicians, five times that sum. The first and second class passengers alone could easily bear the extra expense without putting any of it on the steerage. If safety could be rolled up in a brown cylinder and smoked; if it could be poured into a glass and drunk; if it could be set to music and played; if it wore a neat uniform and an engaging smile and had a hand cunningly shaped by nature for receiving gratuities, there would be no trouble about safety. But safety is an abstraction. What is worse, it is a negative abstraction. It means the absence of something which may never come. On general principles, people want safety, but danger always seems so remote that they will not voluntarily make an effort to avoid it. And then they do not know how. If this clause of the seamen's act costs the steamboat companies money, the public not only ought to be willing to bear the expense, but in my judgment would be willing to bear it, provided the companies would spend as much money in advertising safety as they do in advertising classical music, luxurious baths, and high living.

3. Section 16, which provides for the denunciation of treaties interfering with the act, is perhaps the provision most open to question, for the act raises the standards for seamen above those specified in treaties, and there is undoubtedly a possibility of diplomatic entanglement. But in itself the idea of a treaty relating to labor conditions is nothing new. Many European states have made such treaties relating to the use of poisonous phosphorus, to the night work of women, to the reciprocal rights of citizens in the benefits of workingmen's insurance. In the treaty, *e.g.*, which was made between France and Italy on April 15, 1904, with regard to savings bank deposits and compensation for accidents, France insisted that Italy should improve its system of factory

inspection.<sup>5</sup> We thus have in this treaty a precedent for the attempt of the seamen's act to bring the labor policy of other countries to a higher level. This is a phase of the subject which will require much study before it can be thoroughly worked out. But it will be enough to cross these diplomatic bridges when we come to them, and if insurmountable obstacles arise, it will still be possible either to modify the act or to modify our treaties, in such a way as to carry out the main purpose of the act, which is to improve the conditions of labor of the seaman and to increase the safety of travellers.

A difficulty which may possibly prove serious is the decision of the attorney general that the requirements of Section 14 regarding life-saving equipment and the manning of lifeboats do not apply to foreign ships owned in countries with which the United States has reciprocity agreements.<sup>6</sup> If this decision holds, the purpose of the act will to that extent be thwarted. The difficulty, then, lies not in the act itself but in the treaties which limit its application.

Thus those provisions of the law which have brought out the most vigorous protest are in line with legislation which in other fields has proved wise and practicable. The great question is whether this law progresses too rapidly and too far. The fact that it is opposed by important interests is serious but not conclusive. Over and over again in the history of labor legislation measures which were proved convincingly by those interested to be ruinous to business, have been found in practice to be perfectly feasible. On the other hand, it would be vain to expect too much of a law of this kind. By itself it cannot build up our merchant marine. Too many other conditions enter into the problem. This has been shown by the history of the past. We have seen our merchant marine flourish, until it carried 90 per cent of our foreign trade. Then under the influence of the effects of the Civil War, under the advantages possessed by Great Britain in the building of steel steamers, under the handicaps imposed by our protective system upon the shipping interests, in consequence of which they were required to buy their ships in the American market at prices

<sup>5</sup> *Bulletin of the International Labor Office*, German edition, 1904, Vol. III, p. 152.

<sup>6</sup> *Ocean Shipping*, November, 1915, p. 146.



swollen by the tariff, we have seen it dwindle, until it carried before the European war was only about  $8\frac{2}{3}$  per cent of our foreign trade. It is not possible to discuss here the complicated question of the decay of American shipping. But lest we forget, be it recorded that it was not caused by legislation either for the sailor or for the public. Our country is still the only maritime country which has no load line regulations, and it has to pay higher insurance rates in consequence. As far as our own legislation affected shipping, the chief handicap was our high protective tariff, made to favor those who owned and worked the natural resources of the country.

The present war has now given us as neutrals some of the advantages enjoyed by the neutral European nations during our Civil War, and the repeal of the act which forbade the purchase of foreign ships has contributed further towards the building up of an American merchant marine. It has been said that it is a mistake to impose the burden of the seamen's act upon an industry which is just beginning to show signs of recovery. But if the act is a burden, is it not better to impose it in a period of prosperity than in one of adversity? It is undoubtedly desirable for many reasons which need not be specified to develop a merchant marine, but we have found it possible for the country to prosper both in its internal productivity and in its external commerce with a shrinking merchant marine, and I do not hesitate to say that it would be better not to build up our over-sea shipping business than to make it dependent upon a reactionary labor policy. Better no American merchant marine than a merchant marine with no American mariners.

Finally, we must not blind ourselves to the fact that, as in other fields of legislation, the successful operation of this law depends upon the spirit of those concerned. Not only must the shipping interests be ready to carry out the law in such a way as not to exaggerate whatever shortcomings may be developed in practice, but, if it imposes a burden upon the public, the public must be educated to a willingness to pay the cost. Last but not least, the Seamen's Union must show by its acts that its members are capable of living up to the responsibility put upon them, that the greater freedom given them under the law will not be abused, and that they, too, will contribute their share towards maintaining the standards which the law is intended to enforce.

## THE SEAMEN'S LAW AND ITS CRITICS

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The statement made by Professor Farnam that the American Congress has been looking after the interests of the seamen I think I can subscribe to in a general sense. It was looking after them as well as it could, but it was getting its information from the employer of the seamen. It was getting its information from the shipowner and the ship master, and it is well known that those who give advice to legislators generally give it in accordance with their own interests, whether that be done consciously or unconsciously. So that there was no voice speaking for the ordinary seamen—the men before the mast, the men in the fire room, the men who climb the mast, the men who keep you safe when you travel. The fact of the matter is that the sentiment gradually developed that the seaman was something separate and distinct from any other kind of people—in fact, that he would not bleed, even though Professor Farnam said he would. There was such resentment among American boys at the treatment and wages received that they shunned the sea as though it were a pestilence. It was so well understood what the sea was that an old lady in San Francisco, who had to choose between having her boy go to sea or to a reformatory for some peccadillo, cried, "Oh, your honor, don't send my boy to sea!"

The result of what the American Congress gave to the seamen, under the advice it received from the shipowners, is that there are no American seamen. If a gardener was planting apple trees and grew no apples, you would think he was a very poor gardener. And so here. Congress was passing laws in 1872 to improve the condition of the seamen; that is what they said, but it worked the other way. The condition of the seamen was not improved, it was made worse in 1872. In 1867 the thirteenth amendment was adopted, and in 1872 the burden of servitude upon the seamen was increased. Of course the boy brought up in an American school

would not touch that kind of work. Then the shipowners went for men to Great Britain, to the Scandinavian countries, and to north Germany. As education spread, and the schoolmaster went 'round to disturb the existing order of things, the boy of Germany and Holland, England and Scandinavia, began to feel the same way as the American boy did. He said, "No, I won't go into that kind of work. I do not want to admit that I am inferior to everybody with whom I played in school." And he did not go. And the English shipowner to a very large extent, and the American shipowner, though to a less extent because he had less temptation, went to the Orient, to the cheapest reservoir of men.

The inevitable result of that in the time to come—say fifteen or twenty years—would have been to drive white men from the ocean altogether, because as the men quit the sea the sea-power quits that nation or that race. History will certify to that, through all the ages that have passed.

Shipowners have complained against this seamen's legislation of 1915. Was there ever a class of men who owned slaves, who were willing of their own accord to liberate them? In the class of men who owned slaves, there were always some who were willing to manumit individuals; but emancipation came only as the result of some great upheaval in the human mind. At no time were slave owners as a class willing to let go their slaves.

Naturally, the shipowners of Europe and America would protest most emphatically against this kind of legislation, which gives to the seaman the same right to the ownership of his body that was a century ago granted to other human beings, and fifty years ago to the negroes of this country. Nor is it strange that the complaining shipowners—these slave owners—should use whatever power they have as a national organization, first to prevent the passage of this legislation, and secondly, when it had been enacted, to misrepresent it in such a way, before the American public, as to facilitate its repeal. There is a method in their madness, of course.

I am very sorry that there is not a single shipowner here to take up the discussion. Here, in New York, in San Francisco, in Seattle, always the same old story! People earnestly interested in this question notify shipowners to come and give to the public in an open forum their reasons for opposing the legislation, their reasons for saying that it is no good, that it is destructive of the best American

interests. The shipowners have been invited in those other places, and they have been invited here, and they do not come. It puts me at a great disadvantage, because I expected when I came here to have some shipowner come, and say, thus and such is done by this act, it is wrong and will create wrong, and will be disastrous; and then I would have something to hit at. But to imagine a man standing in front of me here, I can't get in the right spirit, ladies and gentlemen, it makes it very difficult.

The best thing I can do is to take up their official protest, the statement they have scattered all over the country and that Professor Farnam told about in his paper. First they say that the payment on demand of half of the wages due at every port will lead to violation of the seamen's contracts. If a shipowner was present I presume he would say just that. He would say that a man who becomes a seaman signs the contract, and at once it goes into the mind of those who listen "It is a contract, something that is sacred, something that is mutually agreed upon, something that two freemen entered into one with the other, where minds meet and each one has something to say about what shall go into the instrument." But this is entirely erroneous. No seaman ever signed a contract like that. The Congress of the United States, the legislative bodies of each particular country, determine just what kind of a contract shall be made, and the courts say that shipping articles carry in their womb all the maritime law. So the seaman has no more to do with what is in that contract than you have to do with what takes place in the interior of China to-day. The seaman has the paper put in front of him. If he wants to go to sea he signs, and if he doesn't sign he remains on shore. There is no such thing—never was any such thing for seven centuries—as a free contract between the seaman and his employers. It is a misrepresentation and a misnomer.

As to getting half his wages—why, he was entitled to that, wasn't he? He had earned it. But the lawmakers said he should have it "unless he had signed a specific provision to the contrary." So the man who drew the contract simply put in "No money except at captain's option," and the seaman had to sign that too.

Up to 1728 the seaman was entitled by the maritime law of every nation to get half of the wages he had earned—all of the wages, in fact—whenever the cargo was discharged and the owner received freight money. Then the shipowners of France went before the



king and said that this ought to be abolished, because—well for sundry reasons. Judging by the reasons given, you would say, “The voice is Jacob’s voice, but the hands are the hands of Esau.” It was the same old story. It was said the seaman would drink his money, would waste it and keep it from his family—he would do all those things which were bad, and that is why he should not get paid. The edict was issued accordingly. So when the seamen came to ask for a part of the wages he had earned, he would be asked in return, “What do you want it for?” I have asked for a couple of dollars and have been asked what I wanted it for, and at the time there were \$100 due me. That is the case with every seaman—they are all asked “What do you want it for?” Why shouldn’t we get it? They say we will drink it, will waste it. What business is it of theirs if we do? Since when did God give them the guardianship over us—give Tom Jones the guardianship over the soul, over the moral conduct of Bill Smith? At any rate, Tom doesn’t exercise it except when he thinks it is in his own interest to exercise it.

The shipowners who are opposing the present legislation say, “This clause—the payment of half of the wages at every port—will increase desertions.” Yes, we know that—and that is the reason we want it! We want to take away the fence between the hog and the swill. That is what we want to do. If you have a hog in a pen and you put some swill into the trough, he is going to get in with both feet unless there is a fence in front of it. And they have put this fence in front of the seaman so that he cannot get the little wages due him until he gets into the home port. We want to give him a chance to get what is due him. There is nothing idealistic about this at all. The shipowners say that the seaman will not quit—but my Heavens, they have been telling the people for a hundred years that he will quit to get more wages, and they have negotiated treaties between the countries whereby they could arrest the seamen and deliver him back, for fear that the hog would get his feet into the swill trough. Now when we take away the fence they say he will change his nature. Well, I for one don’t believe it. And they don’t believe it either, they only say they do.

The objection to this clause—the real objection—the one that they don’t put down, is this: They know that when the seaman who has

signed in a low-wage port comes into a port where there are higher wages, he will quit the vessel he is on in order to get the wages prevailing in the high-wage port. They know that he will do that and hence the protest. They know he will do it and hence their complaint. And we say frankly, Yes, that is exactly what we want. We want to have the right that every other man has, and if you want to keep our services it will have to be on other grounds. If your servant does not want to stay with you voluntarily you cannot hold him by force, you must give him or her a little more wages, and better treatment, and then he will stay with you voluntarily.

The result is that the shipowner will have to pay better wages in all parts of the world, and that will put the United States on an equality with a low-wage country in the cost of operation. Who is going to be hurt by that? The fellow who made this complaint. Hence the complaint. He does not put it upon this ground, but that is the truth of it.

The sailor is of the same nature, and is very much like the rest of you. If he is undressed he looks very much like the rest of mankind, except that he usually has not so much fat on. He is of the same material as the shipowner. When the shipowner finds that it costs him more money to have his men desert in New York than in San Francisco or in Philadelphia, and that he will have to pay higher wages sooner or later, what is he going to do? He is going to pay, leaving Norway or Hong Kong, wages sufficient to prevent the seamen from quitting; and so there will be less desertion and less desire for desertion, and there will be more wages to the seamen who are sailing in those vessels because they will have to get pretty nearly up to the American standards, and there will be better opportunity for the United States to have a merchant marine. No wonder that the foreign shipowners object. But let them come out and tell the truth. I wish they were here to talk to us.

The language test has been described by Professor Farnam perfectly. He says it is a provision for safety. It is that and nothing else. If the instructions are given in accordance with the spirit of the act itself it is going to secure safety, greater safety than we have ever had before. It is going to help to bring the American back to the sea, too—it is going to mean safety not only to the traveling public but to the American nation, because the American will go

to sea and you will have more of a merchant marine in event of war, and it will strengthen your navy. It will mean safety to our part of the human race, national safety, and racial safety as well. But the shipowners are opposed to it, of course, because they assume it will cost them a little more money.

Regarding the able seamen provision they say "You do not need able seamen." Even Professor Farnam thinks that an able seaman on board a steamer is rather a curiosity. I want to say that a man who is not an able seaman, capable of going aboard any vessel, is not a seaman at all. He must be able to take care of the vessel, to make small repairs, and to keep the vessel safe and seaworthy throughout. The work that is done on board a steamer differs from that on a sailing vessel only in amount. Take the loss of the *Volturno*. The antennae of the wireless, that send the "S.O.S." calls, fell down, and the ship was helpless. But the second mate was a real sailor; he climbed up the mast and put the antennae back where they belonged, so that they could send out their "S.O.S." As a sailor I am very much interested in the "S.O.S.," but I cannot forget that unless the aiding vessel is manned and equipped well enough to do some real good, the "S.O.S." does not amount to anything. Or if she is not near enough to come in time, then there is a bubbling sound and that is the last of it, unless the vessel from which the call is sent has itself the needed life-saving appliances and real seamen. Besides putting wireless antennae back in place there are a hundred different reasons for climbing on board a steamer. A seaman must be able to do it. And so almost any kind of work you do on a sailing vessel you must be able to do on a steam vessel. The steam vessel does not give to the man the same aptitude, the same quickness of decision as the sailing vessel does, because in a sailing vessel you must use your mind and hands and body at the same time, and if you cannot there is a place down in Davie Jones's locker for you. Shipowners would never say that they do not need skilled and experienced seamen were it not for the fact that they are exempted from liability to the traveling public.

Now as to the abrogation of treaties. The imaginary shipowner in front of me says, "You are asking us to abrogate our solemn treaties with foreign countries." But each of these solemn treaties provides that either of the contracting parties may abolish it by one year's notice! It is the perfect right of either of the contract-

ing parties to say to the other, "I give you twelve months' notice that I do not want to continue the treaty." Who has any right to feel insulted, where is the trouble coming from? The complications spoken of will not arise at all. The average man of Europe, outside of the shipowner, has no more use for serfdom and involuntary labor than has the average citizen of the United States.

One more objection they make—they object very seriously to subsection (e) of Section 11 of the law. Section 11 provides that no man's wages shall be paid until they are earned, and subsection (e) that the clause shall apply to foreign vessels also. In other words, the shipowners object because they want foreign vessels to be able to continue to have the advantage over United States vessels by being permitted to pay wages before they are earned. To the seamen, you understand, they want to pay wages before they are earned—to mortgage the seamen—because the nation stands there with its laws to see that the property is not lost. As a matter of fact, it is an easy way of robbing the seamen. Do not think that this is simply the desire of crimps or bad men; the people who pay the money are the shipowners, and if the shipowners did not pay the money there would be no crimps getting it. The shipowner wants to pay because it helps him to get cheaper men—he wants it because it is to his financial interest. The crimp wants it because it is to his financial interest; and the fellow who is robbed is only a cur dog anyway, so what difference does it make? Under the old law foreign vessels had the advantage of the United States in being able to keep their men in ports against their will, and in all circumstances to have the best of the United States as a nation and as a ship-owning class. And here an American organization, the Chamber of Commerce of San Francisco, gets up a protest against the new legislation which abolishes this advantage, and sends the protest all over the country. They don't know what they are doing it seems to me, or else they must be subject to some peculiar influence.

We who have struggled for this law believe that it will bring the American back to the sea. We believe that the conditions will be gradually so improved that the American will come back to sea voluntarily; that under the operation of this law, if properly carried out, there will be an equalization of the wage cost between the American and foreign vessels and the shipowners of the United States will be on an equality with their competitors. We believe



that as men become more free and independent they become more capable, and that you can depend more upon that kind of man in trouble and distress than you can upon the men you can hire in the ports of the Orient, who have entirely different conceptions about safety and about who is to be made safe. And we think that if this law is permitted to stand on the statute books and is properly construed and given a real chance, in a couple of years it will have so justified itself that nobody will wish to subtract anything from it. The only question will be its extension so as to have boats for all persons on board, and men to handle the boats. At present the law does not go as far as it should in that direction.

## OCCUPATIONAL HAZARDS IN THE AMERICAN MERCHANT MARINE

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I question whether during recent years there has been a measure of much greater importance before the United States Congress than the seamen's act. This law is primarily intended in behalf of those whom the late Professor Sumner has appropriately defined as "the forgotten man." Those who go to sea in ships, in the floating palaces which cross the oceans in comfort and safety, rarely visit the quarters occupied by the crew, or investigate the conditions under which the men are employed. The occupational hazards of our merchant marine have never been made the subject of a qualified investigation by either the federal government or the several states interested in coastwise or inland navigation. The Interstate Commerce Commission collects extensive data regarding the accident frequency among railway employees, the Bureau of Mines collects some extremely valuable and interesting statistics regarding men employed in mines and quarries, smelters, and mills, but regarding the men employed in our merchant marine no bureau of the government collects or gives publicity to the statistical information essential and necessary for a thorough understanding of a labor problem of great practical importance. The Bureau of Steamboat Inspection collects some very interesting statistics, but in all of its reports there is practically nothing of real value concerning the relative hazards of the different classes of men employed. The Life Saving Service gives publicity to the loss of life under certain conditions, but the statistics present but a fraction of the problem. The annual reports of the Bureau of Navigation contain much information on shipping and some very useful data regarding the wages and nationalities of the crews, but no information useful for the purpose of determining the occu-

pational hazard in the different classes of shipping or under the varying conditions of navigation, whether on the high seas, coast-wise, Great Lakes, or otherwise inland—on rivers, canals, harbors, or bays. The only fairly trustworthy data regarding the loss of life in the Gloucester fisheries have for many years been published by a private concern. The statistics indicate a very serious hazard, which has never attracted the proper attention of the Bureau of Fisheries, which might properly have been charged with the duty of determining whether measures and means could not be adopted for the more adequate safeguarding of life at sea. The number of men employed in our merchant marine is about 150,000, and about the same number is employed in the fisheries. Approximately, therefore, some 300,000 men are more or less interested in the provisions of the seamen's act, which aims indirectly, if not specifically, at improved conditions of labor and life and the ultimate reduction of occupational hazards, arising in part out of the employment of incompetent men. At the present time no government bureau or department is charged with the specific functions corresponding to those of the Interstate Commerce Commission and the Bureau of Mines, to ascertain annually and with the required precision and completeness the occupational hazards of the men employed in the American merchant marine.

Mr. Furuseth has spoken of the public attitude of indifference, little short of contempt, regarding our sailors and 'longshoremen. The work which these men do is of the hardest possible kind. They are employed in an occupation which, under given conditions, is extremely dangerous and which imposes much stress and strain, due, among other causes, to trying weather conditions, occasional excessive physical exercise, and prolonged periods of involuntary idleness. That there is much drunkenness among sailors when on shore is probably true, but the drunken sailor is, as a rule, the only one who comes under observation or who gains notoriety. While at sea the vast majority of sailors and others employed on board ships lead exemplary, sober, industrious lives. There is no conclusive evidence that deaths from alcoholism are relatively much more common among sailors than among others. The finest type of manhood that America has produced is the old sea captains of New England, all of whom started as cabin-boys, worked as sailors, and ultimately became masters. Sea life and seamanship

cannot, therefore, at least under American conditions, be so brutalizing as is often assumed to be the case. It is largely to our seamen that the nation owes its most conspicuous victories during the War of the Revolution, the War of 1812, and the Civil War. Yet this important industry, this veritable school of American manhood, we have for more than forty years treated with indifference little short of contempt.

In our navigation laws is a provision which requires every captain or master, subject to certain limitations and restrictions, to report every death occurring on board of his vessel engaged in foreign or coastwise commerce. If that provision had been enforced and if the information obtained thereunder had been tabulated and subjected to critical analysis, we would not now be in complete ignorance of the true occupational hazards of our merchant marine, including the fisheries. Assuming, however, that the fatality rate is not less than 3 per 1,000 for the 300,000 men employed in the fisheries, inland, coastwise, and foreign navigation, it appears that there are annually probably not less than 900 deaths directly attributable to accidents at sea or on shore.

In the experience of the British merchant marine the fatality rate for recent years has been 4.8 per 1,000 employed. According to the British workmen's compensation experience,<sup>1</sup> the fatality rate has been 1.82 and the serious injury rate has been 30.1 per 1,000. There are the strongest practical reasons why this nation should collect corresponding data, so that conclusions regarding occupational hazards at sea would be accurate and not perilously near to guesswork. In the experience of the Prudential the proportion of deaths from accidents among all classes of men employed in navigation has been 16.8 per cent. The fatality data derived from these sources are sufficient to emphasize the urgency of the suggestion that there should be an amendment to our navigation laws, making the reporting of all deaths on all vessels of the United States merchant marine compulsory and providing for the subsequent tabulation and analysis of the information, either under the direction of the Commissioner of Navigation or of the United States Commissioner of Labor Statistics. It may further be suggested that the Bureau of Steamboat Inspection, the Coast Guard Service

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<sup>1</sup> This experience probably includes all persons employed in shipping, both on board and ashore.



and the Bureau of Fisheries should be required to give more extended attention to the occupational hazards in our merchant marine, so that the statistics published may be practically useful in connection with the future administration and improvement of the seamen's act.

Aside from the occupational hazard, the health problem also requires some consideration. There are the strongest reasons for believing that the sleeping accommodations of sailors are often inadequate, that the ventilation is insufficient, that the risk of infection is not guarded against, and that the food is of inferior quality. In proportion as the casualty risk is diminished and as health conditions are improved the attractions of the seamen's service will be correspondingly increased. Under existing conditions it is only too often the case that the accommodations provided are not in conformity with our American standard of life. In the final analysis, our seamen are an indispensable element of our national prosperity and security, and whatever tends to raise their status must in course of time benefit the nation at large.

In view of the foregoing very brief and inadequate outline of a labor problem of the first order of importance, I present the following resolution:

#### RESOLUTION ON REPORTING OF ACCIDENTS TO SEAMEN

Whereas there are reasons for believing that the occupational hazards of employment in the American merchant marine are relatively as serious, if not more so, as in mining, railway transportation, and other hazardous employments; and

Whereas the existing information on maritime risks is largely limited to general information not precisely differentiating the fatalities and injuries to seamen and passengers, and the causes thereof; and the experience data of life insurance companies are also of general rather than specific value; and

Whereas the published statistics regarding the loss of life at sea, and on the coasts, and on inland waters, and in connection with the fisheries, as published by the United States Life Saving Service, the Steamboat Inspection Service, the Bureau of Navigation, and the Division of Vital Statistics of the Bureau of the Census, and possibly other government departments, are insufficient for the purpose of determining the true occupational hazards in the American merchant marine; and

Whereas under Section 123 of the Navigation Laws, subsection 6, "Every case of death happening on board, with the cause thereof," is required to be entered in the official logbook of every vessel making voyages from a port in the United States to any foreign port, or, being of the burden of

seventy-five tons and upwards, from a port on the Atlantic to a port on the Pacific, or vice versa; and

Whereas said requirement being presumably complied with, the information obtained thereunder is not apparently made use of for the practical purposes of statistical tabulation and analysis in the furtherance of an effort to establish the true hazards of navigation in the American merchant marine; and

Whereas no reasons appear to exist why the said requirements should not also be made applicable to vessels of the United States, of the burden of seventy-five tons or upwards, making voyages from one port of the United States to another; and

Whereas the enforcement of the corresponding section in the British birth and death registration act of 1874, and the merchant shipping act of 1894, has provided a complete and satisfactory statistical return regarding the loss of life in the British merchant marine; Therefore be it

*Resolved*, That the American Association for Labor Legislation respectfully urge upon Congress and the Bureau of Navigation the annual tabulation and analysis of statistical data obtained in conformity to the section referred to for the purpose of establishing with accuracy and completeness, and with a due regard to the class of vessels concerned and the regional distribution of shipping, the precise hazard of employment in the American merchant marine; and be it further

*Resolved*, That Congress be requested to amend the navigation laws so as to provide for the making of official returns regarding deaths at sea in connection with voyages of all vessels of seventy-five tons burden or over engaged in coastwise or foreign commerce; and be it further

*Resolved*, That Congress be requested to impose a corresponding statutory requirement upon all vessels employed in the American fisheries on the high seas, on the Great Lakes, and on inland waters over which the federal government may have jurisdiction, such vessels to be of a minimum tonnage, or a minimum number of the crew, to be determined by Congress; and be it further

*Resolved*, That for the purpose of facilitating the tabulation and technical analysis of the returns, a transcript of each and every fatality reported by captains and masters of vessels under the jurisdiction of the federal government in conformity to Section 123 of the Navigation Laws, or such amendment thereof, or such new legislation as may be enacted, should be made to the Chief of the Division of Vital Statistics of the United States Census for separate presentation in the annual report on the mortality of the United States registration area.

[The resolution was unanimously adopted and referred to the Executive Committee for such further action as might be necessary to secure the results aimed at.]

## GENERAL DISCUSSION

QUESTION: I would like to ask Mr. Hoffman whether his resolution contains anything with regard to age data?

MR. HOFFMAN: No, that would not be necessary. If the resolution were to be followed by legislative enactment, the standard death certificate which would unquestionably be made the basis of the reports would require the age.

QUESTION: How complete are the statistics on maritime wages?

MR. HOFFMAN: I have not concerned myself with the wage question further than what is in the reports. Wages are reported in detail for every class of voyage. When you hear so much about wages, desertions, and the like, you must remember that the average able-bodied seaman is lucky if he gets from \$27 to at most, say, \$40 a month—what we pay our ordinary servant girls with no knowledge of cooking.

QUESTION: How far does Mr. Furuseth feel that the present law gives adequate safeguard to the stokers? I suppose many of us have had our attention called to the frequent suicides and the bad conditions among stokers. I happened to speak of the matter with the president of a chamber of commerce and others, and they said, "Oh yes—I have seen men jump overboard on a steamer on which I was a passenger." How far is this condition covered by the new law, or is additional legislation along this line looked forward to? How far are liquid fuel and mechanical stoking going to free the man who stands in front of the furnace?

MR. FURUSETH: The law helps the stoker only in that it gives him shorter hours of labor than in the past. It gives him what we know as the three-watch system—four hours on duty and eight off—in all classes of vessels. The living conditions are also improved. We have not been dealing with the question of the sick or the wounded. Now we are ready, with the assistance of anybody who is willing, to give some consideration to the sick and the wounded.

MR. HOFFMAN: To show the practical value of the British data, which we also would obtain if such an amendment to the navigation

law as is proposed should be adopted, the question just asked could be answered absolutely and precisely. In the British merchant marine last year there were about two stokers' suicides per 1,000, which in itself would be a high accident rate in ordinary employment. The suicide rate among stokers is as high as the accident rate in ordinary fairly dangerous employments.

MR. FURUETH: I think you will find in addition that there are very many deaths from heat stroke or heart failure. The figures just read apply purely to suicides. Such a large number of men die from heat stroke, and from heart failure caused by the heat and hardship, that the death rate runs up to something like one in every 150.

QUESTION: I simply want to repeat my question about the substitution of other methods for stoking. Is there any hope of the old-fashioned method of stoking passing away, and is it possible to bring financial pressure to bear to hasten that progress? Is it merely a matter of expense which is considered?

MR. FURUETH: It is all a matter of expense. You can make arrangements in the stoke hole by means of which there will be a circulation of air sufficient to make the work in the stoke hole such as the average healthy man can stand. The trouble is that it costs money to put in ventilators, and to change vessels when the ventilators were not put in at the beginning. When any improvement of that description is asked for, you are up against the question "How much will it cost?" And if it costs anything it is not done.

A VOICE: The one feature of the seamen's law which has been more discussed than any other is probably the provision that three-quarters of the crew shall understand the language of the captain. When everything runs smoothly it does not make much difference about that, but in the case of a great disaster like that of the *Lusitania* it is rather important that the crew shall understand what the captain is saying. On the other hand, it is such an expensive proceeding that it has actually put our ships out of business and the remedy is going to be, in my judgment, a subsidy, which will counterbalance the extra cost. This question of cost is something that must be taken into account, and if we make our



ships so expensive to run, the foreign powers will do all the business. But it is possible to put in some provision for a subsidy that will help things. If we are going to have American men on the ships we ought to be ready to pay the difference. On the other hand, such boats should be available for mail service and for particular service in case of warlike emergencies.

A VOICE: At the time this bill was passed it was stated by ship-owners of the Pacific Coast that the language requirement was excessive. But it would be a very simple matter to get up an order book in different languages which the officers could learn absolutely in a day or two, sufficient to give orders. The crew doesn't have to know the language so thoroughly—it wouldn't be necessary for them to read Shakespeare.

MR. FURUSETH: The questions of the cost of running vessels, and of the possible necessity for a subsidy, arise purely from a misunderstanding of this legislation. There will be no necessity for subsidizing if the law is properly carried out. There will be no additional cost to the American shipowners beyond the cost to foreign shipowners. Leaving the men who come to the United States free to leave the vessels on which they serve and to ship over again on the same or on some other vessel will inevitably result in an equalization of the wage cost. A great deal has been said about the Pacific Mail Steamship Company's being driven from the ocean because of this legislation. As some one has well said, that is answered by the number of vessels that are now being built and that have come under the American flag. I want to say that the accusation that the Pacific Mail was driven off the ocean by this legislation is utterly groundless. The seamen's act has no more to do with the passing of the Pacific Mail from its old routes than last year's snow has. Nor has the increase in the merchant marine anything to do with it. First, the Pacific Mail had to leave because of the Panama Canal, and the laws passed in connection therewith. The present increase in the merchant marine in the United States arises from the war. The question that will have to be settled after the war is over is, will the vessels remain under the American flag? Then the test will come.

I should like to explain briefly the incident of the Pacific Mail so that there won't be any misunderstanding about it: First you built a canal. What for? So that great cargoes can be taken from

the Atlantic seaports to the Orient and back again. You sent cotton, flour, machinery and other commodities overland until you had the canal, then took it in vessels from the Pacific seaports to the Orient. It was just about as cheap to do that as to take it through the Suez, so that a large amount of the oriental trade of the United States went by rail. Now you built the canal to cheapen transportation. You established a new trade route and the flour comes down the Lakes, through the canal to New York, or down the Mississippi to New Orleans. The cotton, of course, is taken right from the South. The machinery, instead of going overland, goes to the vessel and then to the Orient. This was so perfectly understood when the canal was being built that Mr. Schwerin, president of the Pacific Mail Steamship Company, came to Congress and said: "If you will permit railroad-owned vessels to go through the canal, we will build at once four 3,700 ton vessels to run from New York through the canal, *via* San Francisco, Honolulu, the Philippine Islands to the Orient, and back again. If you will do this you will assure a great merchant marine upon the Pacific." This was Mr. Schwerin's plea. But Congress would not listen to the plan; it said no railroad-owned vessels would be permitted to go through the canal, because they, having the necessary backing, could be run as fighting ships instead of as freight ships. Congress said, they will control the canal rate, and thus control the railroad rate as well, and we will have built the canal for nothing. So Congress deliberately refused railroad-owned vessels permission to go through the Panama Canal. When that had been done, Mr. Schwerin came again before the House Committee on Merchant Marine and Fisheries, and among other things he said: "I want to say that I am done with the American flag forever."

This statement was made twenty-five months before the passage of the seamen's act, so it cannot be said that he and the company he represented left because of the seamen's act. He came to San Francisco two years before the act was passed, and he appealed to everybody to appeal to Congress to prevent the passage of the railroad clause in the Panama Canal act, because he said that would drive him out of business. Necessarily it would. His ships could not follow the new trade route. Not being able to go through the canal they had to change name and flag. They changed flag, and immediately they went through the canal—four of them. They went through the canal as soon as they were sold to the International

Mercantile Marine and had ceased to carry the Pacific Mail house flag. Now the rest of them have been sold to the International Mercantile Marine too, and I understand they are to go under the operation of another company temporarily—William R. Grace and Company—and pending that Mr. Schwerin is still in charge of them. They are still, however, under the American flag.

Then there is Mr. Dollar whose vessels have been driven from the ocean, according to the newspaper stories—Mr. Dollar, whose fleet seems to have increased until it is something like twenty odd vessels, and big ships too, all of them! Upon actual information his fleet was as follows: Three vessels in the coastwise trade—each of them old vessels, none of them over 1,000 tons. They are absolutely sure to remain in the coastwise trade until they become somebody's coffin. He had four vessels in the other trade, and one year before the war he bought a vessel built on the Lakes and put Chinamen on board of her immediately. The Chinamen could not handle her for some reason or other, and they set her afire, so he sold her again, to a firm in Portland, Oregon. She still has the American flag. As soon as the war began he took advantage of the conditions and took two of the four ships under the American flag. The other two have never left the English flag. After the seamen's act was passed he sold one of the boats, a 2,600 ton tramp, the *M. S. Dollar*, to a firm in China, and that is the only vessel he has sold up to the present time of those he had. He has not got any more, and it is said that he hired three Japanese vessels.

As far as the language test driving American ships from the ocean goes, there is nothing to it. A Chinese ship can carry a Chinese crew, a Japanese ship a Japanese crew, a German ship an English crew and an English captain. It simply means that the men shall be able to understand the language of the officers. You would not dream of doing anything else—and the shipowners would not dream of doing anything else either, were it not that they are so exempted from liability to the public generally. Yes, it will cost them a few cents more, but it will cost them all the same amount—so what then? And who is going to pay for it? Not the shipowners, but you—the public—the consumer is going to pay for it. What is the labor cost as compared with the total cost of running a vessel? In an ordinary tramp 9 per cent, in a passenger vessel 15 per cent. Suppose you double this cost—it is true it will increase the transportation cost a slight amount, but not enough to be of any serious

consequence. But this talk about subsidies—if it were not for the hope that the subsidy hunters might get a subsidy, they would never have attacked this legislation as they have.

QUESTION: I would simply like to ask Mr. Furuseth a question. I think his statement of facts is correct, but are the results of this bill to increase, by any degree, the number of ships sailing the foreign main who have no large percentage of English-speaking crews?

MR. FURUSETH: Of course this act has been in operation but thirty days, and most of it is not yet in operation at all. It will not be in operation as far as the language test is concerned, on foreign vessels, until after March 4th, and not altogether on foreign vessels until after about June 6th, because of the time that it takes for a treaty to be abrogated. So that it could not have had an influence upon foreign vessels as yet. Such influence will very largely be determined by the kind of regulations that are issued by the Department of Commerce in the meantime, to cover American vessels. If these are made right, the result will be that they will be enforced upon foreign vessels the same as upon American, and that being the situation the foreign shipowner is not going to bring his coolies here. I am now quoting the language of Paul Gottheil, who represents twenty-three foreign lines. He says that if you pass this bill we cannot continue to carry Chinese on British vessels and on European vessels coming here, nor Lascars, because they do not understand the language. The vessels will either have to stay away from here or they will have to charge more freight. If that be the situation—and I think he is right—the shipowner is not going to bring the Lascar here because he cannot take him away again, he will have to send him away as a passenger. Hence he is going to bring the kind of crew here that can go away from here again. Then, also, he is up against the proposition of the freedom of the men. When the men come here and find they can get twice as much wages as they are getting, they will naturally want the higher wages. This will give him additional trouble. As a result he will pay satisfactory wages and give decent enough treatment to keep the men on board the vessel, and the result is that the Austrian ship and the Norwegian ship and the English ship and the Japanese ship will be paying the wages of the American ship, or so near that it won't be worth while for anybody to desert.



QUESTION: Did I not understand you to say that if the captain understood the language of the Lascars that would fill the bill?

MR. FURUSETH: Yes, if he understands the language well enough to be able to give any kind of an order that will be required in an emergency. There is no conceivable kind of an order that might not be required in an emergency, because the conditions which may arise on board a vessel, in a storm, fire, or collision, and the orders that are necessary, are so numerous that it is utterly impossible to preconceive what they may be. The master and the men must be able to converse in an ordinary way, in the language that is used on board the vessel.

QUESTION: It would seem, then, that a very large part would depend upon the administration of the laws enacted?

MR. FURUSETH: Legislation in which administrators have anything to say usually depends upon the administration and on the administrator, if God is good and give him a strong mind and a healthy judgment.

QUESTION: Are the Chinese and Japanese not excluded from this country?

MR. FURUSETH: They are not excluded. Chinese are excluded from this country under certain conditions. There are certain conditions under which they are admitted. What those conditions are I presume you can find out from the immigration laws.

QUESTION: I assume they are excluded—and therefore the argument you make with reference to their demand for higher wages when they get here will not hold. If they could not desert, they would not raise the cost of Chinese labor.

MR. FURUSETH: If the Japanese on board a Japanese vessel do not desert, then they will go back again from here, unquestionably, the way they came. But I happen to know the Japanese people. They *will* desert every time.

QUESTION: Does this apply to the Chinese also?

MR. FURUSETH: None that I have ever seen.

QUESTION: Then your point is that your argument would hold with the Japanese crews, as with those who come in on the Atlantic?

MR. FURUSETH: Certainly.

QUESTION: Are the Japanese good strikers?

MR. FURUSETH: I have never seen a Japanese who would not take all that he could get hold of. And as far as running away from a vessel is concerned, they are risking their lives and losing them to run away from vessels now, if the vessels are under some foreign flags. The liners that come to San Francisco and Seattle always lose some of their people in the course of their voyages even now when the law is against them. Just think of what is going to happen when the law is with them!

MR. WILSON: May I not add a word at the conclusion of this discussion, growing out of my own connection with the legislation? When I came down to Congress from the hill country of Pennsylvania, my attention was attracted to the seamen's bill, principally because of its humanitarian features. But as I began to look into the subject I came to the conclusion that there was more involved in the various sections of the seamen's bill than simply the question of getting better conditions for the seamen.

In common with every other person who had given any attention to the subject, I had been informed that the reason for the decadence of the American merchant marine during the past fifty or sixty years was our antiquated navigation laws, and I naturally wanted to know what particular phase of our laws was responsible. I had found very few people who were able to give any definite information upon the subject, who were able to place their finger upon any particular section of our navigation laws and say "That section is responsible, or partly responsible, for the dwindling of our merchant marine."

As I investigated the subject, I formed the conclusion that there were two strong reasons for the dwindling of our merchant marine, and that the first of these reasons was that it cost an American shipowner, under the then existing navigation laws, more for his vessel than it did his foreign competitor. He had to invest more in order to have the same earning capacity. That placed him at a disadvantage. That has been partially remedied by giving to the American shipowner the right to bring a foreign-built vessel under American registry. The disadvantage, however, is not entirely remedied even yet, because even after bringing the foreign-built vessel under

American registry the American shipowner is not permitted to use it in coastwise trade; he can use it only in oversea trade. His foreign competitor, on the other hand, can utilize his vessel in the coastwise trade of the country from which it hails, and that means a big advantage to any shipowner. Take as an illustration a vessel coming with a cargo from a European port to New York. It discharges its cargo there and desires to take a cargo of cotton from some of our southern ports to a European port. If it is one of these vessels built abroad, and consequently purchased as cheaply as the foreign competitor purchases it, the owner cannot take a cargo from New York to the southern port where he desires to get his cotton, and thereby pay the cost of travel between those ports; he must travel between the ports in ballast, and the cotton cargo, or the cargo with which he came from Europe, or both of them combined, must pay a sufficiently greater amount of freight rates to enable him to bear the cost of going from the New York port to the southern port without cargo. Until that difficulty is removed, the American shipowner will still be at a disadvantage.

The other great reason for the dwindling of the merchant marine was that it cost the American shipowner more to operate his vessel than it cost his foreign competitor. That additional cost in operation was not due to the fact that it cost the shipowner any more for supplies than it cost the foreign vessel. The supplies could be purchased in exactly the same markets that the foreign shipowner bought his supplies in. The difference in operating expense was due to the fact that it cost the American shipowner more in wages.

By the treaties we have entered into with twenty-three maritime nations, and by the laws we have enacted to carry those treaties into effect, that advantage accrued to the foreign shipowners. The foreign shipowner signed his seamen in the foreign port where lower wages obtained, and when they came to American ports, if they desired to end their civil contract of labor, as any other workmen might do when they were in a safe port, we utilized our police forces to run down the deserters and carry them back, and compel them to complete their contract.

The seamen's act not only gives the right to the seaman to desert and end his civil contract to labor, but it makes it possible for him to carry that right into effect by giving him the right to one-half of his wages when his vessel is in a safe port. The natural desire of

the human being to have just as much as is given to any other human being will cause seamen on foreign vessels, when they come into American ports and learn of the wages that are being paid to American seamen, and of their right when in a safe port to insist upon the same kind of wages, to leave their vessels if need be in order that they may secure the same amount of wages as is paid to the American seamen. If that be true, and it seems to me perfectly clear that it may be true, it means an equalization of the operating expenses as compared with foreign vessels, and if we have an equalization of the operating expense as compared with foreign vessels there will be no need for a subsidy. It may cost more for transportation than it costs under existing laws. I doubt it very much. But if it does cost more, it will be the people as a whole—the users of the vessels or of the materials that are carried on the vessels, who will have to pay that additional cost. It will not be the shipowner who will pay it. Placing the American shipowner, then, in a position where his original investment is no greater than that of his foreign competitor, and his operating expenses are no greater, ought to enable him to compete without any subsidy.

This act undertakes to do for the seamen not all but some of the things which have already been done for people who work on land. It gives more space to their quarters, it gives them a little better food supply. That little better food supply item was not required for some of the vessels, for some are now feeding better than the standard calls for; but it was required for those who would not have any better than the standard provides for. It also gives freedom to the seamen, and my experience in the trade union movement is that before men can begin to make progress, before they can make any serious or important movement to improve their own condition or the condition of those with whom they associate, they must first have freedom. I want to reiterate what has already been said—possibly in different language and in better language than I may be able to say it in—that if we cannot have an American merchant marine unless we provide it with a personnel of serfs and slaves, then I do not want to see a merchant marine. I believe that human life, human liberty, human health, human safety ought to take precedence over profits.





III

PRESIDENTIAL ADDRESS

JOINT SESSION WITH THE AMERICAN POLITICAL  
SCIENCE ASSOCIATION

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*Presiding Officer:* ROYAL MEEKER  
*Commissioner, United States Bureau of Labor Statistics,*  
WASHINGTON, D. C.



## AMERICAN LABOR LEGISLATION

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HENRY R. SEAGER

*President, American Association for Labor Legislation*

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It is the high privilege of the presidents of some of the sister associations that meet with us this year to render their addresses notable by the announcement of important discoveries in their fields of research or of original and illuminating theories. I can make no similar claim to your attention this evening. In the field of labor legislation no important discoveries have been made since we last came together, nor have I original and illuminating theories to unfold.

Nevertheless there have been developments during the last year that merit our thoughtful consideration. These have not been so much in the realm of acts—of legislation proposed or passed—as in the more important realm of ideas. A reactionary wave has swept over the country which has not only stiffened the opposition of the traditional enemies of labor legislation, but weakened the support of some of those who should be its staunchest friends. It is to three of the manifestations of this reactionary tendency that I wish particularly to draw your attention. On November 23rd the Supreme Court of Massachusetts decided that a nine-hour day law for employees about railroad stations was unconstitutional. At its Philadelphia convention last December, and again at its recent convention in San Francisco, the American Federation of Labor formally declared against the legal regulation of wages and of the hours of labor of adult men other than government employees. Finally, as a result of the European war, the very examples that we have cited as proving the value and need of labor and social insurance legislation are beginning to be turned against us as evidence of their evil tendencies and dangers.

The Massachusetts decision<sup>1</sup> was rendered with reference to Chapter 746 of the statutes of 1914 which provided that:

<sup>1</sup> *Commonwealth v. Boston and Maine R. R.*, 110 N. E. 264 (1915).



Employees in and about steam railroad stations in this commonwealth designated as baggagemen, laborers, crossing-tenders and the like, shall not be employed for more than nine working hours in ten hours' time; the additional hour to be allowed as a lay-off.

A case was submitted to test the constitutionality of this statute, the facts being agreed to by both sides, as follows: One Richards was a general baggage man of the Boston and Maine Railroad, employed at Worcester. He was required to go on duty at 6 A. M. and remain until 8 P. M., with a lay-off of one hour from 12 to 1 and of half an hour from 6.38 to 7.08. His duties caused him to be out of doors about half the day, and it was not charged that he did not receive adequate assistance in handling baggage or that his occupation was unhealthful in its nature.

Through Chief Justice Rugg, and without any dissenting vote, the court held (1) that the act, though ambiguous in its language, was clearly intended to limit the work of those included to nine hours a day; (2) that "Since the agreed facts show that there is nothing inherently unhealthy about the work which the employee did," the case is indistinguishable from *Lochner v. New York* (198 U.S. 45), and the act is therefore unconstitutional since "that decision is binding upon the legislature and courts of this commonwealth"; (3) that the act cannot be defended as an amendment to the charter of the Boston and Maine Railroad, but must be viewed as an addition to the labor law; (4) that it is unnecessary to go into the question of whether such legislation is not an interference with interstate commerce beyond the power of a state legislature, since the act is on other grounds unconstitutional.

The decision thus rests entirely on the authority of the decision of the United States Supreme Court in the famous New York ten-hour bakeshop law case. No attempt was made by the court to discuss either the wisdom of that decision or the merits of the statute before it. No reference was made to other decisions of the Supreme Court rendered before and since which seem inconsistent with the majority opinion in the *Lochner* case. It, therefore, calls for a careful review of the grounds on which the Supreme Court rested its decision in that case and of its relation to other decisions.

The *Lochner* case was decided in 1905, seven years after the Supreme Court had upheld the constitutionality of the Utah eight-hour law applying to mines and smelters (*Holden v. Hardy*, 169 U.S. 366, 1898). In commenting on these decisions at our first

annual meeting nine years ago, I ventured the opinion that "When the Supreme Court of the United States solemnly decides that mining in Utah is such a dangerous occupation that the work day may properly be limited to eight hours, and a little later that the baking industry in New York is so innocuous that a ten-hour law involves an unwarranted invasion of private liberty, it shows merely that the justices know more about the mining industry than they do about present day city bakeshops." I am still of this opinion, but the view I also expressed that the *Lochner* decision would prove of no lasting importance in determining the constitutionality of labor laws is now shown to have been unwarranted.

The significant facts in reference to this case have frequently been stated. The decision upholding the Utah eight-hour statute had been by a divided court. Among the dissenting justices, the most vigorous was Justice Peckham. When four of his associates concurred with his view that the New York ten-hour law was unconstitutional, he was naturally chosen to write the opinion. In doing so he used language that was strikingly at variance with the majority opinion in the Utah case. His final conclusion that "the act is not within any fair meaning of the term a health law, but is an illegal interference with the rights of individuals, both employers and employees, to make contracts regarding labor upon such terms as they may think best" was sharply criticized by Justice Harlan, Holmes, White, and Day in vigorous dissenting opinions. His supplementary statement that "statutes of the nature of that under review limiting the hours in which grown and intelligent men may labor to earn their living are merely meddlesome interferences with the rights of the individual" implied an attitude toward labor legislation that no decision which the Supreme Court has since rendered has borne out. That this decision reflected to an unusual extent the preconceptions and prejudices of a few judges is shown not only by the fact that four of the ablest Supreme Court justices of the period dissented, but by the more striking fact that of the twenty-two judges who passed on the case in its different stages, twelve voted to uphold the statute, and only ten, including the five Supreme Court justices, voted against it.

Justices Holmes, White and Day are still on the bench, while Justice Peckham and three of the justices who voted with him have passed away. In their places new justices are now called upon to

decide these labor cases, and the views several of them are known to hold leave little doubt that, could the *Lochner* case come before the Supreme Court again, the three who voted for the constitutionality of the ten-hour bakeries law in 1905 would not to-day find themselves in a minority.

And yet this decision still stands and is cited as authoritative by one of the ablest of our state supreme courts! It is clear that the friends of reasonable labor legislation need to bestir themselves or the constitutional obstacle, which seemed gradually to be losing its importance through the more enlightened and sympathetic appreciation by our higher judges of the hard realities of the labor situation, will remain a formidable barrier to further progress.

Fortunately an adverse decision by a state supreme court based on a provision of the federal constitution no longer necessarily determines a constitutional issue. We must see to it that use is made of the right created by act of Congress in 1913 to petition the federal Supreme Court for a review of this decision, and hope that such review will not only be granted but that it will result in an authoritative affirmation that when, as in this case, the consequence of a "free contract" is employment from six in the morning until eight in the evening, with only one and one-half hours' lay-off during that fourteen-hour period, the legislature may properly exercise its police power to shorten the work day and thus protect the health, safety and welfare of the worker.

Such an outcome could be confidently expected, but for the importance that will inevitably be ascribed to the decision of the American Federation of Labor that it does not desire such protection for the adult male workers of the country! But perhaps I go too far in giving this interpretation to the resolution adopted at the Philadelphia convention one year ago. That resolution was framed by a special committee as a substitute for resolutions introduced by delegates from California and Washington designed to commit the federation to advocacy of general eight-hour laws in states in which eight-hour laws for women and children were already in operation. The committee's resolution, adopted after prolonged and somewhat heated discussion, by a vote of 11,237 to 8,107, reads as follows:

The American Federation of Labor as in the past again declares that the question of the regulation of wages and the hours of labor should be undertaken through trade union activity and not be made subjects of law, through legislative enactment, excepting in so far as such regulations affect

and govern the employment of women and minors, health and morals and in employment by federal, state and municipal governments.

This would seem to put the federation on record as opposed to such legislation as the Massachusetts nine-hour law for employees about railroad stations. President Gompers, the most influential supporter of the resolution before the convention, appears to give it a different construction. In a long article in the *American Federationist* for August, 1915, he accuses Socialist critics of the position taken by the federation of misrepresentation, and insists that "there is a vast difference between opposing any proposition . . . and the surer method of securing a universal eight-hour day for all workers by the economic action of the workers themselves in private industries." There is a difference in emphasis undoubtedly. But when the federation declares that hour regulation for adult men not in government employment "should . . . not be made subjects of law, through legislative enactment," does it not do more than merely record its preference for trade agreements brought about through the efforts of trade unions? Clearly, whether so intended or not, the language used commits the federation, at least verbally, to opposition to labor legislation of this character.

The resolution was vigorously opposed not only by Socialist delegates to the federation but by John Mitchell and by other labor leaders of national standing. That it was finally carried was, however, more than a personal tribute to Mr. Gompers. It showed widespread dissatisfaction with the results of labor legislation and distrust of this method of improving labor conditions. The argument of those who supported the resolution was briefly as follows: Continued progress toward better conditions can be brought about only through the aggressive efforts of wage-earners themselves. Those efforts are effective only to the extent that the workers organize and, standing together shoulder to shoulder, insist upon their right to a voice through their chosen representatives in the terms of the labor contract. Anything that weakens the strength or independence of their organizations must in the long run retard the forward movement. A resort to labor legislation has a weakening tendency. It distracts attention from industrial organization to political organization. Under favorable conditions the political method may secure the end sought, as the eight-hour law for coal miners was, after a long struggle, secured in Colorado. But, as the



experience of Colorado shows, this may prove a hollow victory. Laws do not enforce themselves. If in securing a labor law members are diverted from allegiance to the labor organizations affected, and these organizations therefore lose their fighting strength, the law will remain a dead letter and actual industrial conditions will be no better than before. Intelligent trade unionists should, therefore, look to their own efforts for the improvement of conditions, not to labor laws. If they are diverted to supporting the latter, they will find in the end, even when the laws they desire are enacted, that their organizations have been weakened and that they are really worse off than they were before.

There is no doubt force in this argument. If there were not, the resolution would never have passed the Philadelphia convention. It seems to me, however, to be inconclusive in three respects.

In the first place, it exaggerates the extent to which the aggressive force of labor organizations is weakened by the kinds of legislation with reference to hours or wages for adult men that have been seriously advocated in this country. Hour legislation relates to maximum hours; wage legislation to machinery for determining minimum wages. The aim in both cases is to fix basic standards high enough to protect the health and efficiency of the groups of wage-earners affected, but by no means as high as the self-interest of those groups makes desirable. Until labor legislation goes very much further than has yet been proposed, there will remain a broad field for aggressive trade union activity. It is probably true that there is apt to be some reaction in the aggressive attitude of wage-earners after a law which they have long fought for has been secured. The same is true after a successful strike. This merely means that new issues must be brought forward and enthusiastic support created for new demands. That this can be done has been demonstrated over and over again in countries like the United Kingdom, where both the method of trade agreement and the method of legal enactment are advocated by the great majority of intelligent labor leaders. No one familiar with English conditions would suggest that the miners' organizations have lost ground because Parliament has fixed a maximum work day for coal miners or created machinery for the determination of minimum wages.

The second objection to the argument is that the failure to enforce labor laws after they have been enacted proves, not the

futility of labor laws, but the vital necessity of creating more adequate machinery for enforcement. We are becoming more and more alive to this need in this country, but much still remains to be done before labor laws will be observed by American employers as they are by those of the United Kingdom and Germany. The labor organizations can contribute much to better law enforcement by insisting upon the more careful selection of the officials of departments of labor, and cooperating with these officials by bringing to their attention all violations in their respective trades. It would be unreasonable, however, to hold wage-earners responsible for the lax enforcement of labor laws, or to expect improvements to come through their unaided efforts. This is one phase of the general phenomenon of inefficiency in government from which this country has suffered. We are gradually making headway against it, and as we do so we shall hear less of the futility of labor laws. An aroused public opinion will insist that such labor laws as are passed be enforced, and improved governmental machinery will respond to the demand.

The third and perhaps most weighty objection is that the method of trade agreement takes no account of the great majority of adult male wage-earners who are still unorganized and will probably long remain unorganized. In well organized trades, where the eight-hour day is so firmly established that there is beginning to be serious discussion, as in some of the building trades, of the desirability of a six-hour day, there is clearly no very urgent need of legislative regulation of the hours of labor. In many unorganized trades, however, hours continue to be outrageously long. Public opinion and the courts have recognized the need of legislative interference to lessen the working hours of women in many states. The American Federation of Labor has registered its approval of such interference for the protection of women. But will anyone familiar with working conditions assert that there are not great groups of men who do not equally need such protection? There is no sharp dividing line between women wage-earners and men wage-earners as regards their helplessness in the face of adverse industrial conditions. The Supreme Court of the United States has justified ten-hour laws for women on the ground that they are the potential mothers of the oncoming generation and that therefore the protection of their health and vitality is essential to the welfare of the

nation. But is it reasonable to maintain that the health and vitality of the potential fathers of the oncoming generation are less essential to our national welfare? In arguing that protective laws for women are justified, while protective laws for men represent an unwarranted interference with their liberty, our judges appear to me to have been guided by a somewhat old fashioned attitude toward women rather than by sound reason. Mr. Gompers and those who agree with him that hour laws for adult men not in government employment are undesirable, though hour laws for women are, seem to me to acquiesce too readily with the views of our judges of the old school. Doubtless the proportion of men wage-earners who, through efficient labor organizations, have secured all and more than they could secure through legislation is greater than the proportion of women wage-earners, but there are many women wage-earners who do not need legislative protection, and there are, in my judgment, more men wage-earners who do need it.

And I dissent vigorously from the view that well considered labor laws fixing maximum hours for wage-earners whose hours are found to be longer than considerations of health and efficiency justify will tend to lessen their independence or make them less aggressive in pursuing their own interest. On the contrary, I believe that the most serious obstacle to efforts toward improvement on the part of those whose hours are longest and wages lowest, is the lowered vitality and broken spirit that result from these conditions. The vitalizing effect of the establishment of minimum wages on the light chain makers of Great Britain is a by no means isolated example of the service standards imposed by law may render in stimulating to aggressive efforts at self-help groups of workers which seemed before not only helpless but hopeless.

The Philadelphia resolution was undoubtedly put forward in no narrow craft union spirit, but on the basis of honest conviction as to the best means of promoting the welfare of American wage-earners. I believe nevertheless that it committed the federation to a reactionary policy. The interests of the workers in the better organized trades do not demand maximum hour laws or minimum wage laws, although even for the better organized trades, as for coal mining in the United Kingdom, such legislation may at times prove advantageous. Very different is the situation of workers in the less well organized or unorganized trades. Maximum hour

laws and minimum wage laws may be for them the indispensable means to becoming better organized and able later to dispense with protective labor legislation. The argument against this view that carried the day in the convention seems to me inconclusive. I, therefore, hope that further consideration may lead the federation to modify the position that it has taken. The unorganized workers need vitally the aid of the organized and powerful in securing through legislation the reasonable conditions as regards work and pay that they have not been able to obtain through free bargaining. Protective labor laws for these groups will be urged by social workers and others, whatever the official attitude of organized labor on the subject. It is greatly to be hoped, however, that the federation will not only not oppose such legislation but will support it with the same vigor and effectiveness with which it has supported protective labor laws for children and women. Only thus can it justify its claim of standing for the interests of all the wage-earners of the United States, and not merely for that fraction of the wage-earners of the country who are organized and affiliated with it.

The last manifestation of a reactionary tendency is more widespread than the two I have discussed, though not yet clearly formulated in any decision or resolution. It is the underlying assumption, in much current discussion, that in some way the protective labor and social insurance legislation of Germany is responsible for the position that country has taken in the war. That that country has displayed a narrow and self-centered nationalism in connection with the war, that is menacing to the rest of the world, I am not disposed to question. That it has shown in its invasion of Belgium, sinking of the *Lusitania* and other acts, a brutal disregard for the rights and interests of the peoples of other nations, seems to me undeniable. The argument runs that this attitude has been the natural consequence of the protecting and fostering care which the government has shown toward the wage-earners of the country. This policy is represented as having developed a devotion and loyalty on the part of the wage-earners that have made them the pliant and willing instruments of the official and military authorities in supporting and assisting their sinister plans of national aggrandisement.

The principal defect in this argument seems to me to be that it



proves too much. The deduction drawn from it, namely, that governmental policies designed to promote the welfare of the masses are inherently dangerous and objectionable, if warranted, would lead to the absurd conclusion that the power of government must not be used to promote the interests of the governed, because this will make the governed too loyal to their government, too patriotic, for the security of the rest of the world. The fallacy in the reasoning is the identification of loyalty and patriotism on the part of a people, with the mistaken and destructive ambitions and aims which the directors of their government may conceive and attempt to execute. I grant that Germany has played a rôle in the war that justifies other countries in uniting against her. But she has entered upon the rôle not because her people are united and loyal, but because the government, over whose foreign policies their representatives have little real control, has betrayed their trust. The tragedy of Germany, as I view it, is traceable to the fact that she had not yet developed truly representative government. The shaping of her foreign and military policies was in the hands of her hereditary monarch and her hereditary nobility. This governing class suffered from the limitations which hereditary aristocracies display the world over. The authority and prestige which it enjoyed made it arrogant and self-confident. Constant contemplation of its efficiency and resources caused it to undervalue the efficiency and resources of other peoples. In short, it came to have an exaggerated idea of its own power and importance, and to believe that since it could not realize its aims by peaceful diplomacy it should realize them by force of Big Berthas and massed army corps. Such a mistake would not have been made by representative leaders responsible to their constituents for all of their official acts. Such leaders would have been less arrogant and less self-confident. They would have had a juster appreciation of the resistance which other peoples would display against attempts to force foreign institutions upon them. Above all, they would have been deterred by a clearer and more sympathetic appreciation of the terrible burdens which war imposes upon the masses.

The deduction in regard to the value of protective labor and social insurance legislation which may fairly be drawn from Germany's rôle in the war seems to me just the opposite of that which I have been criticising. Whatever we may think of the rightness

of Germany's cause, there can be only one opinion as to the vigor and efficiency with which the whole German people are fighting for it. Before the war it was sometimes said that her labor and social insurance legislation were impoverishing her industries. Her industries have shown a vitality and a wealth of resources that have astonished the world. It was more frequently asserted that they were making weaklings of German wage-earners. German wage-earners, turned soldiers, have shown a determination and endurance that have rarely been surpassed. At every point the contention that well-considered and well-administered labor and social insurance laws tend to conserve and develop the health, strength and efficiency of the wage-earners of a country finds confirmation in the way Germany's industrial population has responded to the demands of the war. One is reminded of Lincoln's alleged reply when complaint was made to him that one of his successful generals was too much addicted to a certain brand of whiskey. He said that it was a pity some of the other generals did not take to drinking the same brand. Friends of the allies, instead of finding fault with Germany's labor and social insurance laws, may well deplore the fact that the United Kingdom, France and Russia had not advanced farther on the path of social legislation, which was blazed by the statesmanship of Bismarck, before this calamitous war began. It might not then have required quite such a long time to bring it to a conclusion!

The three evidences of a reactionary tendency in the public attitude toward labor legislation which I have discussed should not discourage us. They merely emphasize the fact that our Association, after ten years of earnest and fairly successful work, is still only at the beginning of its task. Public opinion is not hostile to our proposals; it is merely not yet convinced and, therefore, easily diverted by plausible objections or fallacious arguments. It is perhaps salutary that there should be a reaction since it may lead to the more careful formulation of legislative proposals, and to a better organization of the machinery for enforcing labor laws. Our task, as I view it, is to work out plans for the protection of our wage-earners that will be democratic and cooperative rather than aristocratic and paternalistic. We do not wish benevolently to impose labor laws or social insurance laws upon our wage-earners. We wish rather to convince them and to convince all right thinking citizens that such laws are desirable. We will then develop a truly

efficient social organization, organically related to our American conditions and free from any ambition to impose itself upon other peoples who may not be ready for it.

My own deliberate judgment is that the time was never more favorable for convincing American public opinion of the wisdom of our general program than it is at present. The air is filled with plans for preparedness. It should require but little argument to convince any intelligent person that the sort of preparedness which this country will need during the next ten years, while European nations are slowly recovering from the staggering losses and wastes that this war is inflicting upon them, is not so much military as social, industrial and political. It is this sort of preparedness that should be the rallying cry in all our propagandist efforts. Preparedness in vigorous, efficient and loyal citizens should be our slogan. To this end we should urge the need of protection of our wage-earners from the exhausting effects of too long hours for insufficient wages; of their protection from accident and illness and the assurance to those who suffer these misfortunes of competent medical care and adequate compensation or illness benefits; of the assistance of public employment bureaus to enable them to secure employment, and the assurance of emergency employment or unemployment benefits when there are not enough jobs to go around; finally, of assured provision for their needs when invalidism or old age compels their retirement from the industrial army and they require such aid. We should urge the need of better relations between employers and employees, brought about by the extension of organization on both sides and participation in the administration of insurance funds to which both contribute and from which both benefit. Finally, we should urge the need of more efficient administration of labor and of all other laws by government officials, who may be entrusted with larger and larger responsibilities for promoting the common welfare as they show greater capacity for such responsibilities and become more truly responsive to the democratic aspiration for real equality of opportunities for all of their constituents. On behalf of my successor to the presidency, Professor Irving Fisher, I invite you to subscribe to this program of preparedness and to give him your enthusiastic and whole-hearted support during the year that lies before us.

IV

PROCEEDINGS OF BUSINESS MEETING





## ANNUAL BUSINESS MEETING

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The ninth annual business meeting of the American Association for Labor Legislation was held at the Shoreham Hotel, Washington, D. C., on Tuesday, December 28, 1915, with President Henry R. Seager in the chair.

Secretary John B. Andrews reported on the work done in 1915 and on plans for 1916. (For Secretary's Report, see p. 103.) The treasurer's report was read, in the absence of Treasurer Adolph Lewisohn, and ordered audited. (For Treasurer's Report and auditors' statement see p. 112.)

In amplification of the secretary's report, brief statements of the Association's activities in special fields were rendered by the following members of the staff:

*Workmen's Compensation*—Irene Sylvester.

*Health Insurance*—Olga S. Halsey.

*Unemployment*—Margarett A. Hobbs.

*One Day of Rest in Seven*—Solon De Leon.

Upon report of Professor Henry W. Farnam, chairman of the Committee on Nominations, the secretary was instructed by unanimous vote to cast the ballot of the Association for the following members of the General Administrative Council:

### *General Administrative Council*

(In addition to the officers)

|                                      |                                      |
|--------------------------------------|--------------------------------------|
| FELIX ADLER, New York City           | MARY E. DREIER, Brooklyn             |
| LEO ARNSTEIN, New York City          | JAMES DUNCAN, Quincy, Mass.          |
| GEORGE E. BARNETT, Baltimore         | OTTO M. EIDLITZ, New York City       |
| J. D. BECK, Madison                  | ABRAM I. ELKUS, New York City        |
| GEORGE L. BERRY, Rogersville, Tenn.  | ELIZABETH G. EVANS, Boston           |
| VAN BITTNER, Pittsburgh              | EDWARD A. FILENE, Boston             |
| S. P. BUSH, Columbus, Ohio           | LEE K. FRANKEL, New York City        |
| DANIEL L. CEASE, Cleveland           | JOHN P. FREY, Cincinnati             |
| T. L. CHADBOURNE, JR., New York City | ANDREW FURUSETH, San Francisco       |
| WILLIAM F. COCHRAN, Baltimore        | AUSTIN B. GARRETSON, Cedar Rapids    |
| E. J. CORNISH, New York City         | CHARLES F. GETTEMY, Boston           |
| CHARLES R. CRANE, Chicago            | JOSEPHINE GOLDMARK, New York City    |
| MILES M. DAWSON, New York City       | E. M. GROSSMAN, St. Louis            |
| J. BYRON DEACON, Pittsburgh          | ALICE HAMILTON, Chicago              |
| EDWIN W. DE LEON, New York City      | MRS. FLORENCE J. HARRIMAN, Wash'gt'n |
| EDWARD T. DEVINE, New York City      |                                      |

|  |                                     |
|--|-------------------------------------|
| HENRY J. HARRIS, Washington                  | SIMON N. PATTEN, Philadelphia       |
| LEONARD W. HATCH, Albany                     | JESSICA B. PEIXOTTO, Berkeley, Cal. |
| JOHN RANDOLPH HAYNES, Los Angeles            | ALROY S. PHILLIPS, St. Louis        |
| ROWLAND G. HAZARD, Peace Dale, R. I.         | A. J. PILLSBURY, San Francisco      |
| JOHN PRICE JACKSON, Harrisburg               | ARTHUR QUINN, Perth Amboy, N. J.    |
| MRS. HELEN HARTLEY JENKINS,<br>New York City | WILLIAM C. REDFIELD, Washington     |
| FRANCIS FISHER KANE, Philadelphia            | MRS. RAYMOND ROBINS, Chicago        |
| SAM A. LEWISOHN, New York City               | I. M. RUBINOW, New York City        |
| MEYER LONDON, New York City                  | JOHN A. RYAN, Washington            |
| OWEN R. LOVEJOY, New York City               | J. G. SCHMIDLAPP, Cincinnati        |
| JAMES A. LOWELL, Boston                      | ADAM SHORTT, Ottawa, Canada         |
| JAMES M. LYNCH, Albany                       | IDA M. TARBELL, New York City       |
| CHARLES MCCARTHY, Madison                    | F. W. TAUSSIG, Cambridge            |
| JOHN MARTIN, New York City                   | W. GILMAN THOMPSON, New York City   |
| ANNE MORGAN, New York City                   | CHARLES H. VERRILL, Washington      |
| OSCAR F. NELSON, Chicago                     | B. S. WARREN, Washington            |
| EDWIN V. O'HARA, Portland, Ore.              | WILLIAM B. WILSON, Washington       |
| EDMUND B. OSBORNE, Montclair, N. J.          | C. E.-A. WINSLOW, New Haven         |
| CHARLES E. OZANNE, Cleveland                 | CAROLINE B. WITTPENN, Hoboken       |
|  | ROBERT A. WOODS, Boston             |

### MEETING OF THE GENERAL ADMINISTRATIVE COUNCIL

The General Administrative Council immediately convened in business session and elected from its membership the following General Officers, Vice-Presidents, and Executive Committee:

#### *General Officers*

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| <i>President</i> , IRVING FISHER, Yale University                      | <i>Assistant Secretary</i> , IRENE OSGOOD ANDREWS    |
| <i>Secretary</i> , JOHN B. ANDREWS,<br>131 East 23d St., New York City | <i>Treasurer</i> , ADOLPH LEWISOHN,<br>New York City |

#### *Vice-Presidents*

|                                   |                                 |
|-----------------------------------|---------------------------------|
| JANE ADDAMS, Chicago              | THEODORE MARBURG, Baltimore     |
| LOUIS D. BRANDEIS, Boston         | HENRY R. SEAGER, New York City  |
| WILLIAM H. CHILDS, New York City  | FELIX M. WARBURG, New York City |
| J. LIONBERGER DAVIS, St. Louis    | WOODROW WILSON, Washington      |
| ROBERT W. DEFOREST, New York City | STEPHEN S. WISE, New York City  |
| MORTON D. HULL, Chicago           |                                 |

#### *Executive Committee*

|  |                                    |
|--|------------------------------------|
| JOHN R. COMMONS, Madison, Wis.         | SAMUEL McCUNE LINDSAY, New York    |
| FREDERICK M. DAVENPORT, Clinton, N. Y. | ROYAL MEEKER, Washington           |
| HENRY W. FARNAM, New Haven.            | JOHN MITCHELL, Mount Vernon, N. Y. |
| ERNST FREUND, Chicago                  | CHARLES P. NEILL, Washington       |
| FREDERICK L. HOFFMAN, Newark, N. J.    | ETHELBERT STEWART, Washington      |
| PAUL U. KELLOGG, New York City         | The President and the Secretary    |

The meeting then resolved itself into the annual business meeting, and, there being no further business, adjournment followed.

## SECRETARY'S REPORT

1915

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JOHN B. ANDREWS

*Secretary, American Association for Labor Legislation*

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Sometimes I think the hardest thing the secretary has to do is to stand up after the year's work is done, to *talk* about it. But if this Association has one tradition it seems to be "The secretary shall render an annual report."

### UNEMPLOYMENT

We began the work of this year in the midst of an industrial depression accentuated by a world war. True to the principles of this Association we endeavored to put before the public a practical program for the prevention among wage-earners of unnecessary distress which in this case had grown out of unprecedented unemployment. Drawing upon the experience of our sister associations in other countries and adapting their conclusions to American conditions by means of special studies of our own, we were able to outline in a concise pamphlet of twenty pages the essential lines for legislative action. The effort was timely, for public interest was keen, and to supply the demand we published and distributed from our office 22,000 copies of this *Practical Program*.

Investigations in progress at the beginning of the year furnished reports for the second number of our quarterly REVIEW, which also contained the report of our Second National Conference on Unemployment.

The unemployment crisis of last winter urgently demanded that more attention be given to the existing methods of supplying relief. A rather ambitious survey was therefore instituted to determine what 115 selected communities thought their out-of-work problem last winter consisted of, what they tried to do about it, and with what results. More than 300 public and private officials throughout the country cooperated with our office staff in making the



survey, and the results were written into the third number of our REVIEW. This survey of relief work emphasized at every point, in the language of practical workers in relief, the economy and wisdom of putting into effect the practical program for the *prevention* of unemployment. This, it is apparent, should be done in the intervening period of comparative good times, else we will again face another crisis again hopelessly unprepared.

Our letter files testify that our efforts in the direction of preparedness are appreciated, and already there is good legislation at least partly due to our efforts. Twenty-three states now have public employment bureaus operating sixty-four offices, and there are over twenty municipal bureaus. Moreover, definite legislative proposals, in the form of bills, are ready for advancement at the opportune time. In looking forward into 1916 it is apparent that much remains to be done toward regulating private employment agencies and toward securing additional legislation and especially additional appropriations to strengthen the growing chain of public employment bureaus, city, state and federal. Our Massachusetts Committee on Unemployment, which has worked with our national Committee on Social Insurance in drafting a bill, is about to present to the Massachusetts legislature the first carefully worked out American plan for unemployment insurance.

#### HEALTH INSURANCE

The most important work of the Committee on Social Insurance since its organization at the Boston meeting three years ago has been upon a program for *health* insurance. The standards which our committee purposed to follow in drafting a bill were published in July, 1914, and the first tentative draft of a bill was printed in November, 1915. On November 5th of this year it was unanimously voted by our Executive Committee that the Social Insurance Committee should be encouraged to prepare a complete draft of a bill for health insurance to be introduced in several state legislatures in January, 1916. A first edition of 8,000 copies of the *Health Insurance* pamphlet including the first draft of the bill was exhausted within a month and a second edition of 5,000 copies was printed in the middle of December, making a total of 13,000 copies of the first and second tentative drafts which have been widely distributed in response to the great interest in this subject. It is significant that the American Medical Association has appointed a

committee to cooperate with our Social Insurance Committee in putting the finishing touches upon the medical sections of the bill. Several other important organizations have in the last month appointed committees to study this plan for health insurance legislation. The opportunity now appears good for a big educational campaign for the conservation of health, with fair prospects for legislative commissions to investigate in 1916 and for compulsory health insurance legislation in this country in 1917.

#### WORKMEN'S COMPENSATION

In turning from these two campaigns for social insurance but recently begun it is particularly reassuring to consider the rapid advance in legislation providing workmen's compensation for industrial accidents. Ten new states and territories in 1915 bring the total up to thirty-three out of fifty which have adopted the compensation principle within the short period of five years.

In March, 1915, we published the report of our intensive investigation of the actual operation of the New Jersey compensation law. Highly laudatory comments were received from careful students and practical administrators. One governor wrote that after he had read our report a bill very similar to the New Jersey law was presented to him for signature and instead he killed it by his veto.

Of the revised pamphlet on *Standards for Workmen's Compensation Laws* we have this year printed 10,000 copies for use in the comparatively few states having legislative sessions in 1916. The principal effort is being made in New Jersey where we have arranged a series of conferences during the past few months. At the request of the New Jersey Federation of Labor another such conference will be held in January.

During the summer one investigator studied the operation of the New York workmen's compensation law particularly with reference to employments not covered. Much work needs to be done to bring most of the state compensation laws up to our published standards.

The Kern-McGillicuddy bill, drafted on model lines by the American Association for Labor Legislation, to provide adequately for injured employees of the federal government, was reintroduced (H.R. 476) on the opening day of the present Congress, and referred to the House Judiciary Committee which reported it favorably last year.

## OPPOSITION TO REACTIONARY BILLS

The year 1915 saw some remarkably reactionary legislatures. From correspondents in all parts of the country during the legislative sessions we received statements such as the following, indicating reaction against progressive labor legislation:

From Illinois:

In nearly ten years of legislative experience I have never seen such a marked tendency to do nothing as at this session. There seems to be a special reluctance to pass labor legislation.

From Missouri:

Indications are that this will be a session noted in the history of the state as the most do-nothing legislature we have ever had.

From Indiana:

The session was so very conservative that it sat on the lid in a very radical manner.

From Connecticut:

The legislature has turned down with hardly the courtesy of a decent hearing, practically every labor measure brought before it.

And from Ohio:

Labor gets nothing except a "brick in the slats."

But in New York, especially, it was necessary to make a vigorous fight to preserve labor laws already upon the statute books. With the political overturn in 1914, more conservative men, representative, for the most part, of business sentiment, came into control at Albany. They began early to hack at the labor laws. Exemptions partially to nullify one-day-of-rest-in-seven, amendments to break down legal limitations upon the day and night work of women in upstate canneries, were introduced and hurried toward passage. Most important of all was an early effort to put through a hastily drafted, inadequate, and unworkable bill proposing to consolidate the labor department and the compensation commission. At a public hearing in the senate chamber representatives of this Association—Professor Lindsay, Mr. Parkinson and the secretary—denounced that bill which was supported by the organized employers of the state and opposed by organized labor. Efforts to secure a commission for further study proved unavailing. Legislative leaders in control at Albany announced that a consolidation bill would be passed.

The Association's New York Committee was, as a result of long investigation, without exception in favor of the industrial commission form of administration of all labor laws, including workmen's compensation, but unanimously opposed to the first consolidation bill. As a result of the committee's vigorous and intelligent opposition to this early proposal, it was invited to draft a bill for consolidation which would include what the committee desired. This new industrial commission bill was changed only slightly before introduction at Albany and then was passed without amendment.

#### INDUSTRIAL COMMISSIONS

The New York industrial commission law is in line with the unmistakable tendency in American legislation. In this law there is provided the most advanced system for the administration of labor laws, including workmen's compensation, that has yet been adopted by any American state. There is supplied in this law the method for a social program, which when supplemented by social insurance, is practically equivalent under American conditions to that which has been carried out so successfully in the protection of wage-earners in Germany during the past forty years.

As soon as the bill was passed our New York Committee said: "And now that superimportant question naturally arises, 'Will the governor put the right men on the commission?'" The commission was organized on June 1st with John Mitchell as its able chairman and with James Lynch, formerly commissioner of labor and one of the most powerful trade union leaders in America as a second of the five members. The employers were represented by two members and the legal profession by one. A few days before the organization of the industrial commission the state civil service commission, probably the most able in this country, by authority of this law but without solicitation placed all of the old employees of the labor department and the workmen's compensation commission that were not removed by the law, under the classified civil service from which, aside from the industrial commissioners, only seven positions are now exempt. The advisory council of five employers and five employees and an outside chairman was organized at the end of the summer.

The Williamsburg fire and the coroner's inquest which followed amply demonstrated official inefficiency and worse in the continued state of disorganization of the safety and factory inspection service.



The coroner's jury in its charge held the present industrial commission guilty of "neglect" and held its predecessor the former industrial board of the department of labor guilty of "gross neglect."

Our investigations show that much of the important work of the industrial commission is being ably conducted. This is especially true of the workmen's compensation administration under the direct supervision of John Mitchell. One of the principal weaknesses is due to the failure of the commission to replace many inefficient subordinates, carried over from an earlier régime, by the substitution of men capable of being trusted with important routine work. But even here some progress is being made.

It is unfortunate, of course, that in the heat of the legislative campaign of last winter in New York, in which party politics played a very important part, many misleading statements came into circulation through the newspapers and otherwise for the purpose of discrediting the final plan for an industrial commission. Some of the most serious objections, as so often happens in labor legislation, were based either upon careless reading of the bill or upon deliberate efforts to deceive. One of the most common and widespread of these misstatements was that the advisory council possessed *veto* power. Two or three people resigned from the Association with the statement and in the apparent belief that this purely advisory body possessed such veto power!

It is perhaps not without significance that the industrial commission form of administration of labor laws received recognition in the legislation of 1915 not only in New York but also in Colorado and Montana. The administration of workmen's compensation and other labor laws by a single agency was also provided for this year in Indiana, Pennsylvania and Nevada. Earlier experience in Wisconsin and Ohio is well known. Thus the opportunity is extended to make the prevention of accidents go hand in hand with the determination of the right to compensation for injuries. And in New York, through the advisory council, a practical method for introducing a greater degree of nonpartisanship, both political and industrial, into the administration of labor laws, is finally provided.

One of the most important functions of such a council is to assist the state civil service officials in conducting oral examinations of candidates for positions under the industrial commission. At their first examination of this kind it was my privilege to be present while fifty applicants, who had already passed the written examination

for the position of deputy compensation commissioner, were orally examined. From this select list of fifty, ten were certified after the oral test and six were appointed. The new method among other things demonstrated its suitability for the selection of practical men qualified by experience and interest for the particular work to be done rather than academic men who frequently can pass a written examination but who are sometimes temperamentally or otherwise unfitted for the service.

Throughout the thirty-seven years of factory inspection in America the greatest handicap in securing efficient administration has been politics. Too much attention has been given to the political job, with very serious injury to the efficiency of factory inspection. We might as well face this condition squarely and honestly. The time has come when men and women in this country who are sincerely interested in effective enforcement of labor laws must come to realize that in the long struggle for better laws and for better administrators they must be willing to work fearlessly for what investigation and experience indicate to be right methods, regardless of the source of temporary criticism. As one member of our Executive Committee has said:

The American Association for Labor Legislation was founded to apply scientific methods to the subject of labor legislation. That means that we endeavor, as far as is possible in so complex a subject, to base our action on a careful study of experience. It also implies that we must take into account the welfare of the whole country, for the future as well as for the present, and not merely what may seem to be at a given time the interests of a single class. The inevitable result of such a policy is that the Association is liable at times to be criticized by organized labor as not sufficiently sympathetic with its views and by corporate interests as being too much under the influence of trade unionism. We have found in the past that those who made such criticisms have, on understanding our work better, come to appreciate and support it, and we believe that this will be the case in the future.

Some of the strongest advocates of collective bargaining have failed entirely to understand that the industrial commission form of administration applies the joint conference and trade agreement system to labor legislation. It is not improbable that when advocates of collective bargaining come to understand this, they will not only withdraw their opposition to a plan which should draw them closer together but at the same time forget their fears that the so-called disinterested third parties are aiming to get the official

jobs for themselves. This naïve charge, in the light of subsequent events in New York, must now appear at least gratuitous.

As a second member of our Executive Committee has said:

The New York plan is as strongly a system of state recognition of collective bargaining as it is possible under present conditions to have adopted. This must certainly redound to the benefit of organized labor as well as to that of employers who are favorably disposed.

Furthermore it must be admitted that when bills are before a legislature and public hearings are held it is a narrow vision that would lead either employers or employees to attempt to deny to any group its undoubted right to be heard. As a third member of our Executive Committee has said:

No branch of legislation compares with labor legislation in the manner and extent of its bearing upon the interests of two distinct classes of the community: industrial employers and industrial employees. Those most directly conversant with facts are parties in interest. Perhaps they may claim legitimately to be left undisturbed in the peaceful settlement of their disputes. But when legislation is demanded an appeal is made to the public as standing above the parties. Such an appeal proceeds upon the theory that there is a legitimate public interest in the controversy and that there are principles applicable to the settlement. Do either employers or employees expect that their presentation should be accepted by the legislature as the sole competent evidence? Legislation is not litigation. It is important that the public should receive information from a disinterested source. The American Association for Labor Legislation claims to be disinterested and aims to supply such information. Many of the demands of labor coincide with true and enlightened public interest, and the American Association for Labor Legislation therefore devotes its efforts chiefly to the safeguarding and protecting of the interests of those who labor; but if it were to endorse every demand that comes from those who represent labor it would speedily lose its usefulness.

Legitimate criticism of the activities of the American Association for Labor Legislation must be directed to showing that it has proceeded without proper examination of the subject matter or that it has shown undue bias, not to the fact that it does not agree with the demands of labor. It seems to me quite beside the point to speak of despotism and dictation. The legislature is a free agent, and the American Association for Labor Legislation exercises such influence as it has, which is the common privilege of American citizenship.

The efficient, nonpartisan administration of labor laws has long been regarded as the most vital problem before this Association. The campaign of 1915 has directed public attention to the problem and has led to important legislation. Proponents of this legislation have, of course, made no claims as to its perfection. As in all

legislation, minor flaws will have to be remedied as they are revealed by further experience.

#### CONSTITUTIONAL CONVENTION

Finally, one of the big efforts of the year 1915 centered around the New York Constitutional Convention. A representative committee organized by the American Association for Labor Legislation met frequently during a period of six months and drafted and presented to the convention four proposals with a brief of sixty printed pages. Eight members of the committee went to Albany and urged the adoption of these four proposals, and the two minor ones were finally accepted by the convention. The two big fundamental propositions were rejected. In fact, the draft of the proposed new constitution was very niggardly in its provisions for labor and it was overwhelmingly defeated by the people at the November election. Last week I made inquiry of the secretary of state as to the total vote against the proposed constitution, and I was told that they did not know how many votes were cast against it because they were still counting them. Since then it has been publicly announced that the constitution was defeated by a majority of more than 500,000—by the largest vote which had ever been recorded in the state against any candidate or any proposal.

However, as a result of this earlier activity the Association is prepared with carefully drafted proposals for constitutional amendments which may be submitted to the legislatures in 1916.

#### CORRESPONDENCE AND LITERATURE

In the course of the year's work there have been mailed from the Association headquarters more than 123,000 letters and notices in connection with our membership, educational and legislative campaigns. In addition there have been distributed with letters and in response to requests more than 161,000 pieces of literature. For educational purposes there were also distributed 5,050 copies of the quarterly REVIEW, in addition to those sent to members. The paid-up membership for the year 1915 is 3,094.



# FINANCIAL STATEMENT

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FROM JANUARY 1, 1915,  
TO JANUARY 4, 1916, INCLUSIVE, RELATING TO THE YEAR  
ENDING DECEMBER 31, 1915

|   | FUNDS             |                   |             | TOTAL       |
|---|-------------------|-------------------|-------------|-------------|
|   | State<br>Branches | Unem-<br>ployment | General     |             |
| <i>Balance, January 1, 1915, per cash books</i> . . . . . | \$1,276.01        | \$2,677.85        | \$ 303.33   | \$ 4,257.19 |
| <i>Receipts:</i>  |                   |                   |             |             |
| Membership contributions . . . . .                        | \$ 681.00         | \$6,145.50        | \$28,867.56 | . . . . .   |
| Sale of literature . . . . .                              | . . . . .         | 124.35            | 356.66      | . . . . .   |
| Miscellaneous . . . . .                                   | . . . . .         | . . . . .         | 151.28      | . . . . .   |
|   | \$ 681.00         | \$6,269.85        | \$29,375.50 | 36,326.35   |
|   | \$1,957.01        | \$8,947.70        | \$29,678.83 | \$40,583.54 |
| <i>Disbursements:</i>                                     |                   |                   |             |             |
| Salaries:   |                   |                   |             |             |
| Administrative . . . . .                                  | . . . . .         | \$3,898.36        | \$10,476.27 | . . . . .   |
| Stenographic and clerical . . . . .                       | . . . . .         | . . . . .         | 2,445.79    | . . . . .   |
|   |                   | \$3,898.36        | \$12,922.06 | . . . . .   |
| Printing and engraving:                                   |                   |                   |             |             |
| A. A. L. L. REVIEWS and report . . . . .                  | . . . . .         | 1,295.00          | 1,882.00    | . . . . .   |
| Circulars, enclosures, etc. . . . .                       | . . . . .         | 419.29            | 1,862.88    | . . . . .   |
| Pamphlets . . . . .                                       | . . . . .         | . . . . .         | 1,245.70    | . . . . .   |
| Postage . . . . .   | . . . . .         | 169.85            | 4,430.50    | . . . . .   |
| Rent . . . . .  | . . . . .         | . . . . .         | 1,612.46    | . . . . .   |
| Traveling expenses . . . . .                              | . . . . .         | 143.00            | 734.59      | . . . . .   |
| Stationery and office supplies . . . . .                  | . . . . .         | . . . . .         | 1,161.77    | . . . . .   |
| Telephone and telegraph . . . . .                         | . . . . .         | . . . . .         | 335.84      | . . . . .   |
| Freight and express . . . . .                             | . . . . .         | . . . . .         | 87.68       | . . . . .   |
| Office expense . . . . .                                  | . . . . .         | . . . . .         | 334.37      | . . . . .   |
| Books, clippings, etc. . . . .                            | . . . . .         | 133.10            | 172.77      | . . . . .   |
| Dues—International Assoc'n . . . . .                      | . . . . .         | . . . . .         | 200.00      | . . . . .   |
| Meetings, luncheons, etc. . . . .                         | . . . . .         | . . . . .         | 163.18      | . . . . .   |
| Photographs . . . . .                                     | . . . . .         | 8.10              | . . . . .   | . . . . .   |
| Stereopticon slides . . . . .                             | . . . . .         | 21.20             | . . . . .   | . . . . .   |
| Sundries . . . . .  | . . . . .         | . . . . .         | 206.65      | . . . . .   |
|   |                   | \$6,087.90        | \$27,352.45 | 33,440.35   |
| <i>Balance, December 31, 1915, per cash books:</i>        |                   |                   |             |             |
| State branches fund . . . . .                             | \$1,957.01        | . . . . .         | . . . . .   | . . . . .   |
| Unemployment " . . . . .                                  | . . . . .         | \$2,859.80        | . . . . .   | . . . . .   |
| General " . . . . .                                       | . . . . .         | . . . . .         | \$ 2,326.38 | . . . . .   |
| . . . . .   | . . . . .         | . . . . .         | . . . . .   | \$ 7,143.19 |

We have examined the treasurer's books of the American Association for Labor Legislation for the period from January 1, 1915, to January 4, 1916, and we certify that the foregoing is a summary of the cash transactions shown by the books as being applicable to the year 1915. All receipts as shown by the cash books were deposited in banks and all disbursements of cash, other than those from petty cash which were approved by responsible officials, were supported either by properly receipted invoices and memoranda or by cancelled checks bearing endorsement of the payees.

PRICE, WATERHOUSE & Co.,  
Chartered Accountants.





### HEALTH INSURANCE IN EUROPE

\*Note:—Compulsory health insurance also exists in Italy for maternity cases and for railroad employees, in France for miners and seamen, in Denmark for alien seasonal workers, and in Switzerland in several cantons.

## IS HEALTH INSURANCE "PATERNALISM"?

WILLIAM HARD

In the city of Leipzig there is an institution which is sometimes said to be the finest specimen of Paternalism in all Germany. It exercises a stern jurisdiction, in matters of sickness, over some 200,000 wage-earners in Leipzig itself and in various adjoining districts. Whenever any one of its subjects falls sick, it sends a listed and guaranteed doctor immediately to his bedside. At the same instant it rushes medicines to him from a listed and certified drug store. It cures him in his home, if it can. If not, it drags him to a hospital and goes at curing him there. If, anyway, he dies, it provides money for his funeral. These things—and many others—it does (just as similar though smaller institutions all over Germany do) under general orders directly from Berlin.

Still, I should hesitate to say that this institution—the Federation of Leipzig Sick Funds—is "philanthropic" in the cordial American sense of the word. In our large cities every year large numbers of wage-earners get medical advice and medical treatment from Visiting-Nurse Associations and from private and public dispensaries and from private and public hospitals without paying for any of it at all. They get it totally free. That is philanthropy. Some people might even call it Paternalism. The case of the wage-earners of Leipzig is brutally different.

All Leipzig wage-earners, coming within the jurisdiction of the Federation of Leipzig Sick Funds, are compelled by the Imperial Government to pay weekly, out of their own pockets, a certain tribute to the Federation's treasury. This tribute amounts to two-third's of the Federation's running expenses. It is a stiff blow. Yet the Imperial Government remains unsatisfied. If those wage-earners paid that money and got that medical care and did nothing more, they would be merely passive recipients of welfare. The

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<sup>1</sup> Extract from article "Who Keeps the Watch on the Rhine?" Reprinted by special permission from the *Metropolitan Magazine* of March, 1916.



Imperial Government is determined that they shall be active dispensers of welfare. Thereafter, further, from their own number, they must elect two-thirds of the members of the "Committee" by which the affairs of the Federation are in general supervised; and these members of the "Committee" must choose two-thirds of the members of a second body called the "Directorate," by which the affairs of the Federation are immediately managed; so that the supervision and management of the Federation shall rest principally with the wage-earners themselves.

The Federation of Leipzig Sick Funds spends \$1,750,000 a year. Where, among us, is there so spacious a social-welfare institution operated under the daily control of wage-earners?

The farmers of Arheilgen are encouraged toward Self-Help. The wage-earners of Leipzig—and of all other places within the Empire—are coerced into it.

The employers are coerced into it, too. They must pay one-third of the running expenses of all Sick Funds in all localities and they must elect one-third of the members of the "Committees" and of the "Directorates."

These elections are particularly coercive for the persons elected. If you are an employer and you are honored by your fellow-employers with an election to the "Committee" or to the "Directorate," you may be a very busy man, with large business interests, but you have only five chances of escape. They are laid down for you in Article Seventeen of the Imperial Insurance Code. You may show that you already have more than one guardianship or trusteeship. You may show that your only employees are domestic servants. You may show that you are sick or infirm. You may show that you have more than four legal children under age (it being assumed apparently that such a domestic man should not be torn from his home). Or you may show that you are past sixty. If you cannot make any one of these showings, you serve. And if you neglect your duties, the chairman of the Directorate fines you, from time to time, up to a hundred marks, under Section Nineteen.

At this point the bureaucrats of Berlin retire to their caves and compile statistics and grin at their victims. They have got a lot of private citizens into doing a lot of public work. Is it not the work of the state to look after the sick poor? Why else do we permit

long lines of the penniless at the doors of our public dispensaries and fill our public hospitals with no-pay beds? Certainly it is, in part at least, the work of the state. And see those citizens doing it! And with such zeal! They actually, in many cases, go far beyond the general orders of the Insurance Code in their care for their sick, at their own additional expense!

In Leipzig, for instance, if a garment-worker, affected by confinement and bad air, is sick with general nervous collapse, there are special arrangements ready for him which the general orders do not at all require. His doctor may take him to a laboratory, owned by the Federation, where there are Solar Baths and the like. He may take him afterward to another laboratory, owned by the Federation, where there are Swedish Zander mechanical treatments. He may send him finally to a sanatorium, owned by the Federation, in the open country, expressly for nerve cases. The general orders do not say that the Federation shall own any such laboratories or any such sanatorium. It is Leipzig, it is the local management, that wishes them.

Leipzig also wishes, and has, a large number of beds in four open-country sanatoriums for ordinary convalescents. It also has two special forest resorts for consumptives.

The general orders say that a man sick at home shall have, besides medical care, a "pecuniary benefit" amounting to fifty per cent of his former daily wages. Leipzig makes it fifty-five. The general orders say that he shall continue to have this "pecuniary benefit" for twenty-six weeks. Leipzig makes it thirty-four.

Having got started, it goes forward. Having been coerced into self-activity, it self-acts beyond coercion. It does this not only in the way already mentioned but also in another way which reflects even greater credit on the labor-saving instincts of the officials of the Imperial Government.

If you simply pass a law saying that all tanneries shall be sweet and wholesome places, you give yourself a task which you cannot discharge except with the help of a mob of inspectors—a method meaning endless toil and costing you much money. How much easier, how much more economical both of your money and of your time, to erect a nice little automatic machine which, without your being there at all to tend it, will slap the tannery-proprietor at

frequent intervals and will make him immediately, on his own account, on behalf of his own pocketbook, meditate on sanitation and admire it and yearn for it.

The Sickness Insurance machine makes him yearn for it every time he sends his enforced contribution to his local Sick Fund—which is at least once a month. “That sickness rate is getting to be terribly high,” says he. “The premiums we have to pay are awful. This town is loaded with sickness. Everybody is sick. Why doesn’t somebody do something about it? Cut down the sickness. Cut down the cost. The Mayor ought to do something about it. Look at these statistics! Ah! Tanneries! Grippe! Rheumatism! Pneumonia! Boy,” says he, “is that fellow still in the building that tried to sell me that fool scheme for keeping tanneries dry? I think I will see him.”

Berlin was right. That little monthly Sickness Insurance premium has been worth thousands of sanitary inspectors to the Imperial Government. It is paid now by virtually all employers. The number of insured wage-earners reaches 19,000,000. Their employers all pay; and they pay more when sickness is high and less when sickness is low. It is not without sound reason that sanitation has become a holy passion in the minds of multitudes of the more intelligent among them.

## COMPULSORY HEALTH INSURANCE IN GREAT BRITAIN

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OLGA S. HALSEY

*Special Investigator, American Association for Labor Legislation*<sup>1</sup>

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The right of a government to coerce its citizens into insuring for those contingencies against which experience has proven that they are unable to protect themselves has been asserted not alone by Great Britain's Prussian enemy and eight other European nations, but by democratic and individualistic England herself. The presentation of a bill for compulsory health insurance to the British Parliament in 1911 was the more remarkable since 5,500,000 of the more thrifty British workmen were then voluntarily insured against sickness through friendly societies and trade unions. This voluntary insurance, however, did not provide for those who most needed it—the less thrifty, the more poorly paid, those to whom sickness was a greater disaster—who are now included within the compulsory system. To these 8,000,000 workers the only assured protection was that offered by the charitable societies and the poor law with its hated stigma of "pauper." To the British this provision seemed wholly insufficient, and under the commanding leadership of Lloyd George a bill for compulsory health insurance embracing all workers was introduced into Parliament in May of 1911. It was passed the following December, came into operation in July of 1912, and six months later benefits became payable.

Included within this "national health insurance," as it is termed in Great Britain, are all persons between sixteen and seventy employed for remuneration under any form of contract, if engaged in manual labor or if the rate of their annual earnings is less than \$800. Within this classification numerically unimportant exemptions of individuals or the exclusion of occupations may be granted by the commissioners for reasons established by the act. Untouched

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<sup>1</sup> Miss Halsey spent nearly a year in England studying the operation of the national insurance system.—EDITOR.



by its compulsory provisions are all those working independently—the small shopkeeper, the village carpenter or the cobbler, all of whom have no employer and whose insurance would be difficult to enforce. Those employed within the meaning of the act and insured during the first year, 1912, numbered 13,472,000, or nearly 30 per cent of the total population.

The benefits to which these 13,742,000 workers are entitled include medical care, sanatorium treatment if attacked by tuberculosis, a cash benefit at the time of childbirth, a weekly payment during twenty-six weeks of illness in a year and a smaller weekly sum during prolonged disability.

The medical benefit guaranteed to each person insured for half a year consists of medical treatment, medicines, and specified appliances. This benefit is administered by insurance committees which are appointed for definite areas to represent insured persons, doctors, and the local government of the administrative district. These committees arrange for the medical care of the insured workmen in accordance with regulations of the central administrative body, the insurance commission, and then draw up a list or "panel" of physicians who have agreed to the terms. These arrangements must observe two fundamental conditions; first the right of every duly qualified physician who wishes to serve upon the panel to be placed upon it, provided he is not proven injurious to the service; and second, the right of each insured person to select his physician from among those on the panel. For the remuneration of physicians a minimum of \$1.68 and a maximum of \$1.80 is annually set aside for the medical care of each insured person, regardless of the amount of medical attention he may require. This sum, exclusive of the cost of drugs and appliances, is nearly twice the average physician's income before the insurance act, estimated upon the basis of per capita of the population. Under these conditions, about 20,000 doctors in England, Scotland, and Wales have undertaken insurance practice. This in various districts represents from 70 to 100 per cent of the medical profession practicing among the industrial population.

Sanatorium benefit for the tuberculous insured is provided through the insurance committees which make arrangements for sanatorium treatment with the local authorities.

A weekly sick benefit for a maximum of twenty-six weeks in a

year is granted to each insured person not over seventy years of age who has paid twenty-six contributions, and who produces a certificate from his panel doctor that he is incapable of work. Ten shillings (\$2.40) a week for men, and seven shillings six-pence (\$1.80) a week for women is the legally established benefit paid by each society approved under the act.

A disablement benefit of five shillings (\$1.20) a week is paid to both men and women, insured for two years, when the illness extends beyond the twenty-six weeks covered by sickness benefit. This payment continues for the entire duration of the incapacity, and ceases only when the insured reaches seventy, when an old age pension of equal amount is due him under the old age pensions act.

The maternity benefit of \$7.20 (exclusive of medical attendance) provided for the wife of each insured man as well as for each insured woman is one of the most popular and the most easily administered features. This payment, made solely to help defray the expenses of confinement without regard to incapacity either before or after, is to be distinguished from sickness benefit. Indeed the receipt of a maternity benefit debars the insured mother from the right to receive sickness benefit for the four weeks immediately following confinement.

The cost of these five benefits involving a large total annual expenditure is divided among the worker, the employer and the state. Each insured man pays 8 cents weekly, an insured woman 6 cents, the employer 6 cents weekly for each employee, man or woman, while the state contributes an additional 4 cents. With the exception of the low paid worker earning less than at the rate of 60 cents a day, for whom the employer and the state pay a larger proportion of the contribution, this rate is uniform for all age or wage groups and for all occupations, regardless of the sickness hazard of the industry.

This flat rate contribution, a distinguishing feature of the British system, is based upon the cost of providing a person of sixteen with all the benefits until seventy, and with medical and sanatorium benefits throughout life. It allows for the heavier claims of later life by charging the person of sixteen more than his benefits at that age actually cost. By this method a reserve is accumulated from which the claims of middle life may be met. To estimate this cost the sickness tables of the Manchester Unity—one of the old and well managed friendly societies—were used after they had been adjusted to allow

for a different distribution of age, occupation, and civil status among the compulsorily insured population. In this calculation it was assumed that each of the approved societies carrying insurance would have its fair proportion of the average distribution of risks, and that no one society would depart radically from the average in age distribution, in occupational hazards represented, or in proportion of married and unmarried members. The actuaries, however, were unable to find any suitable table for women, and according to their own admission they used the adjusted Manchester Unity table "without modification" to measure the probable rates of sickness among women. Upon these assumptions the attempt was made to determine once for all the liabilities of this gigantic new system of national insurance, and to fix a uniform contribution which would be sufficient for future expenses among all societies.

A uniform contribution for the various ages entering insurance at the inauguration of the system was possible only by crediting to those over sixteen the amount which, had they been insured from the age of sixteen, would have accumulated to their credit to pay for the heavier claims of old age. Accordingly a "reserve value" was credited to each person over sixteen included within the act, making an aggregate total of \$432,000,000. This huge sum at first appeared only as a book credit. To convert this into cash and at the same time to provide interest on the capital sum, nearly one-fifth of each week's contribution is diverted to writing down the reserves, a process which it was originally estimated would require eighteen to twenty years. When the reserves have been converted into cash, the released one-fifth may be used for increasing the benefits established in the present act.

The financial side of the act centers around the approved societies which are the real carriers of insurance, paying cash benefits to their members and reimbursing the insurance committees for expenditures connected with medical and sanatorium benefits.

The approved societies, of which there are 23,500 independent societies, lodges, and courts, are in some cases the old friendly societies approved for the purposes of the act, some have been organized by trade unions, and still others are special societies modeled after the friendly societies and organized to administer national health insurance. Following the prerogative of the friendly society each insured person is given an unrestricted right to select

his society, and each society may reject an applicant on any ground save that of age. Thus it may limit its membership to those who are members of a trade union, to those who are engaged in a particular occupation, or to total abstainers, etc. The great discretionary power given to the societies to administer their own affairs is a keynote of the British system. In theory each society of over 5,000 members is financially independent, its solvency depending upon its own successful administration. If the expenditure is in excess of the actuarial expectancy, a deficiency will result which the society must make good, either through a levy upon its members or by a reduction in its benefits. Temporary provisions for persons who might be refused and for those not desiring to join a society were supplied by the "deposit contributors' " fund, under the control of the insurance commissioners.

A segregation of the insured persons by trade has in some cases resulted from the freedom of the insured to choose his society and from restrictions placed upon membership by the societies themselves. In the words of the interim report of the departmental committee on approved society finance and administration, "Insured persons were allowed, were indeed urged, to segregate themselves into societies that seemed to promise satisfactory results, and the prospect was held out to them that they would derive a direct benefit from the wisdom of the choice of a society. In other words, Parliament contemplated in one fundamental aspect a departure from the fundamental working of a flat rate system." This trade segregation, whether a favorable one as in the case of bank clerks and domestic servants, or an unfavorable one as in the case of cotton mill operatives, miners and boot and shoe workers, carried with it the isolation of trade risk far below or far above the average occupational hazard for the entire insured population for which the flat rate contribution was calculated. The uniform contribution calculated for the average is frequently insufficient for the worse risks, and a society may therefore be threatened with a deficiency, since each is financially independent and is unable to benefit from the surplus of another having a more favorable selection of members. The deficiency from this cause actually threatening some societies has proven a serious matter to two departmental committees. The recommendations of both were the same: namely that a portion of the reserve fund be set aside to form a "special risks fund" from



which societies having an unfavorable selection of lives might recoup themselves. This assistance to individual societies is necessary even though the sickness benefits for men, taken as a whole, are within the actuarial expectation.

Moreover, a variation from the normal distribution of women has presented grave financial questions to other societies. The sickness rates for women, it has been pointed out, were assumed, in the absence of other evidence, to be the same as those for men. Experience has shown that sickness among single women is in excess of the expected rate, while that of married women is even more excessive. This means that the women are now receiving more than their contributions entitle them to. To remedy the situation, contributions should be increased, or the benefits reduced. This fundamental remedy has been shunned by two departmental committees in succession, and the same solution has been proposed by both,—that of diverting part of the reserve funds to supply the immediate needs. To meet the more numerous claims of married women, due in part to the demands for sickness benefit during pregnancy, unforeseen by the actuaries, still a third invasion upon the reserve funds, coupled with a parliamentary grant, is contemplated by both committees.

In contrast to this segregation, a widely scattered membership without geographical or trade grouping may result from the same freedom in selecting a society. This situation, though unaccompanied by the same financial dangers, has its grave disadvantages. For example, because the members of a community or industry are insured in hundreds or even thousands of societies with other persons, it is difficult to discover an excessive amount of sickness for that group. Without this knowledge it is of course more difficult to take preventive steps. Moreover, a membership distributed throughout the entire kingdom has materially hindered the development of anything like an effective system of sick visiting; it is even a question with one society actually insuring millions of workers, whether a complete system, reaching out to the tiny isolated villages, will pay for itself. Without such a system, the ratio of unnecessary claims will be somewhat higher than when they are closely watched as they can be with a concentrated membership.

The conclusion to be drawn from this British experience with a flat rate contribution and with free choice of carriers is twofold. First,

the two when dependent on each other are undesirable. A flat rate contribution is clearly impossible when there is unrestricted freedom in the selection of the society, because of the segregation of special risks which may and does result. Second, even if the flat rate is not combined with choice of approved society and if all possibility of segregation of risks is eliminated by prescribing the carrier, a flat rate is still undesirable. First, it is impossible to foretell accurately the liabilities even upon the most accurately prepared sickness data. The error in the sickness rates of women made by the British actuaries is an example. Secondly the contribution is regarded as permanent by the contributors and any attempt to change it is resisted. Hence, as in Great Britain, initial mistakes in the financial estimates must be rectified from some other source. The same opposition to any increase in the contributions has been manifested when the purpose has been to increase the facilities of the insurance system. As a result such additional expenditures have been met by parliamentary grants when as a matter of justice the increased income should have been derived from the insurance payments. The system of free choice of carrier, even if unaccompanied by a flat rate contribution, is in itself undesirable. The same segregation of membership might well result, involving a higher contribution to cover the experience of individual funds. Where many employees in a plant were insured in as many societies, there would be dismay upon the part of the wage clerk in setting aside the correct contribution for each man. This mechanical difficulty might well be an incentive for the employer to maintain his own establishment fund. Moreover, the difference in the weekly contribution, assuming it made a difference to the employer as well, might well lead him to discriminate in favor of the most economical fund. Such a development would render freedom of choice chimerical. Furthermore, the system as a whole would be crippled if it were unable to ascertain in which trades and localities the sickness rates were highest, and if, for lack of this knowledge, it were unable to call attention to the excessive sickness and to take active steps for its prevention.

The financial difficulties facing the British system, it is important to bear in mind, are due to the attempt to forecast once for all time the cost of the insurance, in which the government actuaries failed; and secondly to the iron clad nature of the contributions and benefits which preclude every effort to obtain additional income

from this source. These are defects which the flexible average premium system adopted by the German act and in successful operation now for more than a quarter of a century has been able to avoid.

The administration, aside from that of the approved societies which has just been considered, rests with the insurance committees and the central insurance commissioners. The administration of medical and sanatorium benefits, although duties naturally falling upon the approved societies, have been farmed out to the insurance committees because of the greater ease in administration when the membership is localized. The insurance committees, which require duplicate records, increase the staff of workers, and thus add to the cost of administration, are a cumbersome effort to provide for local administration, the principle of which has been violated by the present organization of the approved societies.

The central administration is entrusted to four commissions, one for each of the four countries, England, Ireland, Scotland, and Wales, and a joint committee which coordinates their activities. It is these five bodies, jointly referred to as the commission, which make the extensive regulations for the administration of the act, and which supervise the approved societies and insurance committees, endeavoring as far as possible to make the practices uniform throughout the kingdom. Here too there is unnecessary duplication in administrative force, necessitated by the strong feeling for "home rule" which is not confined to Ireland alone.

Notwithstanding, however, the unfortunate system of finance and of administration which have been adopted, the beneficial effects of the act are quite evident. During the first year of benefits (January, 1913-January, 1914) 3,600,000 persons are calculated to have had sick benefit, or about 25 per cent of those insured, an experience which roughly corresponds with the financial estimates. This has involved an expenditure of \$30,000,000 for the entire kingdom. The disablement benefit which really covers permanent invalidity was expected to involve an expenditure of \$9,700,000 in 1915, thus increasing by one-third the amount spent in sickness benefit. Its financial success, for which there were many fears before it came into operation in July of 1914, is revealed in the recent interim report of the departmental committee on approved society finance and administration. The committee states that during the first eighteen

months the expenditure was within the actuarial expectation for that period, but that in the future it is possible that the disablement benefit for women and especially for married women may involve a heavier charge than originally anticipated. The combined effect of the medical care and the provision of cash benefit is that many who previously had dragged along without medical advice, forcing themselves day by day to work in spite of illness, have now for the first time had proper attention. Physicians have said, "I thought I knew how much illness there was in my neighborhood, but I had no conception of the amount that existed until I was brought in contact with it through the act . . . I had no idea that it existed, and was going unrelieved, and that people were dragging along with such illness." An official investigating commission states that "already there are indications that as a result of the rest obtained under the act a better condition of health has in certain cases been attained than has been experienced for many years."

The maternity benefit, it is calculated, went each week of the first year to 17,000 mothers and throughout that year 887,000 received maternity benefit, involving a total expenditure of \$7,000,000. The results of the cash maternity benefit were soon discernible in the rapid decrease in the mothers seeking assistance from the out-patient departments of hospitals and from other maternity charities, and in their willingness to pay for what previously had been given to them, sometimes engaging a member of the hospital staff, but more frequently resorting to the midwife who often could be prevailed upon to give needed help with household duties. This increased use of the midwife, trained and supervised though she be as in England, creates a new problem which can be solved only by providing the maternity benefit in much the same way as medical assistance is now provided for insured persons.

The effect has also been felt by poor law officials and charity workers. The poor law has been relieved of a large number of calls for medical care from the parish doctor, for midwifery assistance and for out-door relief in time of sickness. In the towns of Bristol and Manchester the diminution in pauperism in 1913 as compared with 1912 is attributed to the insurance act; in the latter city the number of payments of out-door relief decreased by 30 per cent, while the actual amount diminished 25 per cent. Among the Liverpool dock laborers it is estimated that in half the cases which re-



ceived sick benefit, the home would have been broken up and relief sought in the workhouse had it not been for the benefits of the insurance act. Charity workers, too, have found that the calls for financial relief have diminished both in number and in the amount of assistance required. On the other hand, some of the local poor law officials fear that the enlarged use of doctors brought about by the insurance act, which is revealing a larger number needing hospital care, may increase the inmates of the poor law infirmaries. This, of course, is significant of the higher standard of medical care for the working man resulting from the insurance provisions. Sanatorium benefit, notwithstanding petty jealousies between rival local boards, fostered by the administrative system, and the inadequate funds at the disposal of the insurance committees for their share of the work, was received by no fewer than 44,000 insured workers in the first eighteen months' operation of the act. Of this number, more than half were placed in sanatoria, others were treated in dispensaries, and still others were cared for in their homes by the panel doctor, under the guidance of the tuberculosis officer. To assist in home treatment 1,200 shelters for out-of-door sleeping were available, and in other cases milk and eggs were supplied to patients in their homes.

Moreover, the whole anti-tuberculosis movement has been strengthened. To provide the additional sanatoria necessary for the treatment of the insured and their dependents provided for in the act, Parliament in 1911 made a grant of \$7,200,000 to defray part of the expense of sanatoria whether erected for insured or non-insured. Under this generous provision plans for 3,000 new beds had been made within the first twenty months and grants to the extent of \$1,287,000 had been either made or promised. Following the recommendations of the famous Waldorf Astor committee that sanatorium benefit should be available not only to the dependents of insured but to the whole population, the government announced in July of 1912 that it was willing to bear one-half of the expense incurred by the local authorities in treating non-insured persons as well as the dependents of insured workers. For this purpose Parliament granted \$1,464,000 and \$2,300,000 for the budget years of 1914 and 1915 respectively. The provisions which have thus far been made are but the beginning of an effective crusade against tuberculosis, instigated by the insurance act and originally restricted to the insured and their families but later extended to the entire population.

If even a clumsily conceived plan of health insurance can improve health, decrease pauperism, and forge an effective weapon against tuberculosis, are not we Americans challenged to devise a system which will function more perfectly in our war against poverty and disease?

## TENDENCIES IN HEALTH INSURANCE LEGISLATION

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The five years between 1909 and the outbreak of the European war saw rapid development in compulsory health insurance legislation. During that time such laws were adopted by the six countries of Norway, Roumania, Russia, Serbia, Great Britain and the Netherlands. The four countries of Germany, Austria, Luxemburg and Hungary had previously passed such compulsory laws.

All the laws cover practically all low-paid wage-workers. In the Netherlands and Norway workers receiving less than a given income are included, without regard to occupation, while the Standard Bill of the American Association for Labor Legislation, like the laws of Austria, Germany, and Great Britain, applies to all manual workers and to other low-paid employees. The laws are equally inclusive in covering all forms of sickness, while in Austria, Germany and Norway, the first few weeks of industrial accident disability also are compensated from the health insurance funds.

The benefits provided are of two sorts—medical assistance and cash payments. The Standard Bill follows prevailing European standards by granting the latter for twenty-six weeks, dating from the fourth day of disability, while medical attention is supplied from the beginning of illness as long as cash benefits are due. In most European laws these are only the minimum terms for benefits, however, and higher standards are permissible. Thus in Germany the waiting period may be shortened or entirely eliminated and under some additional restrictions benefits may be paid as long as fifty-two weeks.

The laws fix the minimum rates for cash benefits, but frequently allow higher rates as well. Minimum rates in Austria, Germany and the Netherlands vary from 50 to 60 per cent of wages, while a maximum of 75 per cent is permitted in Germany and Austria and 90 per cent in the Netherlands. England is the only country paying uniform benefits without regard to wages. The standard of the Association bill, 66 2/3 per cent of wages, is that of the best American compensation laws and falls between the extremes of European legislation.

The laws usually provide insured persons not only with medical treatment, but also with medicines, therapeutic appliances and, except in England, with hospital care. In England, however, provision is made for all forms of tuberculosis, which are entitled to sanatorium care. Medical care to the dependents of the insured, which permits economical medical service and adds much to family well-being, is optional in Austria, Germany and Great Britain and compulsory in Norway and in the Standard Bill. While no medical benefit is furnished in the Netherlands, the deficiency is partly made up by the high rate of cash benefits, usually 70 per cent of wages, and by the numerous voluntary "sick clubs," which must be open to any insured person.

**Maternity benefit is provided in every European law.** The insured woman usually receives obstetrical assistance and a cash benefit for four or six weeks at her confinement. Great Britain, conforming to the flat rate principle, gives a lump sum of \$7.20 both to insured women and to the wives of insured men. The latter receive obstetrical care under the terms of the Standard Bill, and in Germany such care and also pregnancy and nursing benefits may be furnished.

**European legislation empowers the insurance carrier to make contracts with physicians for medical service.** Perhaps the most common arrangement is that of England and Germany, by which free choice among a panel of physicians is normally allowed. The four options of the Standard Bill, namely, choice among a panel of physicians, "reasonable free choice" among salaried physicians, district medical officers, or a combination of these methods, permit an adjustment to local conditions of the plans found successful in European experience.

**A modest funeral benefit, large enough for decent burial according to prevailing standards, is also provided by all the laws except those of England and the Netherlands.** In Austria, Germany and Norway an allowance of from twenty to fifty times the average daily wage is made; the Standard Bill fixes a maximum of \$50.

**The cost of health insurance is in every case met by joint contributions.** These come in Austria and Germany entirely from employers and employees, but, under the other laws and the Standard Bill, from employer, employee and the government. England accompanies a flat rate of benefits by a flat rate of contributions; other countries and the Standard Bill vary the contributions according to wage.

**In its administrative machinery the Standard Bill follows closely the provisions of all the laws considered except the British.** The normal insurance carrier it sets up is a district local or trade fund under mutual management, but such other societies as establishment funds, labor union funds, and the like, may, with permission from the supervising authorities, also carry the insurance. In every case the "approved societies" must be mutually managed and cannot be profit-making enterprises. In Great Britain, where no district funds are established, and "approved societies" may contain members from any locality, there has resulted a clumsy and unsatisfactory division of authority by which cash benefits are paid by the societies, while medical benefit is administered by local insurance committees.

**The "mutual management" of the district funds is that of employer and employee, with, in some cases, as in Norway and the Netherlands, representatives of the government also.** Employees have a majority representation in Austria, Germany and Norway, and British "approved societies" are entirely controlled by their members. In the Netherlands and in the Standard Bill employer and employee are given equal representation. In every instance there is government supervision of the funds.



# TENDENCIES IN HEALTH INSURANCE LEGISLATION

This table presents only the main features of leading health insurance laws, omitting numerous minor qualifications. Most of the European countries mentioned have, in addition to workmen's compensation for accidents, and health insurance, provisions for the contingencies of invalidity, old age, and unemployment.

|                               | Germany<br>(Adopted 1883; reconfirmed 1911)   | Great Britain<br>(Adopted 1911; in effect 1912)   | Austria<br>(Adopted 1888; in effect 1888)   | Netherlands<br>(Adopted 1913; in effect 1913)  | Norway<br>(Adopted 1909; in effect 1911)   | Standard Bill<br>American Association for Labor Legislation   |
|-------------------------------|---|---|---|--|--|---|
| Scope of Compulsory Insurance | 1. All manual employees.<br>2. Other specified employees (foremen, officials, clerks, teachers, actors, musicians) receiving less than \$600 yearly.<br>All sickness, industrial accident disability.   | 1. All manual employees between 16 and 70.<br>2. All other employees receiving less than \$768 yearly.<br>All sickness and accidents not covered by workmen's compensation or common law.             | 1. All wage-earners (agriculture, forestry, and homework excepted).<br>2. All administrative officials receiving less than \$480 yearly.<br>All sickness, industrial accident disability. | All employees receiving less than \$300-\$600 yearly according to locality (domestic servants, certain casual employees, and certain taxpayers excepted).<br>All sickness.                   | All employees over 14 receiving less than \$374-\$378 yearly according to locality (certain casual employees excepted).<br>All sickness.   | 1. All manual employees.<br>2. All other employees receiving less than \$1,200 yearly.  |
| Disabilities Covered          | 1. All sickness.<br>2. First 13 weeks of industrial accident disability.  | 1. All sickness and accidents not covered by workmen's compensation or common law.  | 1. All sickness.<br>2. First 4 weeks of industrial accident disability.   | All sickness.  | 1. All sickness.<br>2. First 4 weeks of industrial accident disability.  | All sickness, accidents, and death, not covered by workmen's compensation.  |
| Waiting Period                | 1. For cash benefit: up to 3 days.<br>2. For medical benefit: none.   | 1. For cash benefit: up to 3 days.<br>2. For medical benefit: none.   | 1. For cash benefit: none, if illness lasts more than 3 days.<br>2. For medical benefit: none.  | 1. For cash benefit: up to 4 days.<br>2. Medical benefit not compulsory.   | 1. For cash benefit: 3 days.<br>2. For medical benefit: none.  | 1. For cash benefit: 3 days.<br>2. For medical benefit: none.   |
| Maximum Time Receivable       | 1. Cash benefit: 26-52 weeks for the same illness.<br>2. Medical benefit: (1) Until expiration of cash benefit.<br>(2) Additional 52 weeks of convalescent care optional.   | 1. Cash benefit: 26 weeks in any 1 year.<br>2. Medical benefit: throughout life.  | For the same illness, 20-52 weeks.  | 26-52 weeks in any 1 year, but not more than 15 weeks in a year for an illness for which benefit has been drawn more than 26 weeks in the previous year.                                     | 1. Cash benefit: for the same illness, 26 weeks in any 1 year, but not more than 39 weeks in any 2 consecutive years.<br>2. Medical benefit: until expiration of cash benefit.   | 1. Cash benefit: 26 weeks in any consecutive 12 months.<br>2. Medical benefit: until expiration of cash benefit.  |
| Cash Benefit                  | 50-75 % of wages.   | Minimum:<br>Men: \$2.40 weekly<br>Women: \$1.80 weekly  | 60-75 % of wages.   | 50-90 % of wages.  | 60 % of wages.   | 66 2/3 % of wages.  |
| Medical Benefit               | 1. Medical and nursing assistance and treatment.<br>2. Medicines and therapeutic appliances.<br>3. Hospital care.<br>4. Medical treatment to dependents optional.   | 1. Medical treatment.<br>2. Medicines and therapeutic appliances.<br>3. Sanatorium benefit for all forms of tuberculosis.<br>4. Medical treatment to dependents optional.<br>5. Dental care optional. | 1. Medical treatment.<br>2. Medicines and therapeutic appliances.<br>3. Hospital care.<br>4. Medical treatment to dependents optional.  | Medical treatment and medicines provided by voluntary sick clubs. Must be open to any insured person. Cash benefit not paid until arrangements for medical treatment and medicines are made. | 1. Medical and surgical treatment.<br>2. Therapeutic appliances; medicines optional.<br>3. Hospital and asylum care.<br>4. Medical and surgical treatment to dependents; medicines optional.<br>5. Dental care optional. | 1. Medical, surgical and nursing assistance and treatment.<br>2. Medicines and therapeutic appliances, costing not more than \$50 in any 1 year.<br>3. Hospital care.<br>4. Medical and surgical treatment and medicines to dependents.       |
| Maternity Benefit             | 1. Insured women:<br>(1) Cash benefit 2 weeks before and 6 weeks after delivery; or<br>(2) Home nursing assistance or hospital care with half cash benefit.<br>(3) Obstetrical, pregnancy and nursing benefit optional.<br>2. Wives of insured men: optional. | 1. Insured women:<br>(1) \$7.20;<br>(2) \$14.40 if wives of insured men.<br>2. Wives of insured men: \$7.20.  | Insured women:<br>(1) Obstetrical care.<br>(2) Cash benefit for at least 4 weeks after delivery.  | Insured women:<br>(1) Cash benefit up to full wages during incapacity due to delivery.<br>(2) Usual cash benefit during incapacity due to pregnancy.   | Insured women:<br>(1) Cash benefit for 6 weeks.<br>(2) Medical treatment.  | 1. Insured women:<br>(1) Cash benefit 2 weeks before and 6 weeks after delivery.<br>(2) Medical, surgical, and obstetrical treatment and appliances.<br>2. Wives of insured men: medical, surgical, and obstetrical treatment and appliances. |

|   |   |   |  |  |  |
|---|---|---|--|--|--|
| <b>Arrangements for Medical Service</b> | 1. Free choice among panel of physicians whose pay is arranged by insurance companies according to official regulations.<br>2. Other arrangements permitted if numbers on panel are insufficient.   | Free choice among physicians under contract with funds who may be paid:<br>(1) Fixed salaries;<br>or<br>(2) Capitation; or<br>(3) By the visit.           | Free choice between at least 2 physicians under contract with sick clubs.                                      | Contracts with physicians by funds.  | Funds may arrange for medical service by:<br>1. Free choice among panel of physicians or<br>2. Reasonable free choice among salaried physicians; or<br>3. District medical officers; or<br>4. Combination of above methods.<br>Funeral expenses. Maximum \$50. |
|   | None.   | At least 20 times average daily wage. Maximum, \$20.  | None.  | 25 times average daily wage. Maximum, \$13.50.   | Percentage of wages from employer, employee, commune, and state.   |
| <b>Funeral Benefit</b>                  | Flat rate from employer, employee, and state. Contributions of employer and state proportionately increased for exceptionally low-paid workers.   | Percentage of wages from employer and employee.   | Percentage of wages from employer and employee.  | Percentage of wages from employer, employee, commune, and state.   | Percentage of wages from employer, employee, and state. Employer's contribution paid proportionately increased for exceptionally low-paid workers.   |
|   | 1. Cash benefit:<br>(1) "Approved societies" (labor unions, establishment funds, friendly societies, etc.). Must be controlled by members and not operated for profit.<br>(2) "Deposit contributors" fund for those outside societies.<br>2. Medical and sanatorium benefit: representative Insurance Committee in each county. | 1. District funds.<br>2. Other mutual societies not operated for profit may be recognized (establishment funds, registered aid funds, guild funds, etc.). | 1. District funds.<br>2. Other mutual societies not operated for profit may be recognized (local funds, etc.). | 1. District funds.<br>2. Other mutual societies not operated for profit may be recognized (shop clubs, communal sick funds, etc.). | 1. District local or trade funds.<br>2. Other mutual societies not operated for profit may be recognized (labor unions, establishment funds, benevolent or fraternal societies, etc.).   |
| <b>Insurance Carrier</b>                | 1. "Approved societies" by members.<br>2. "Deposit contributors" fund by Insurance Commissioners.<br>3. Insurance Committees by insured, physicians, local administration and Insurance Commissioners.  | Employers and employees; representation $\frac{2}{3}$ and $\frac{1}{3}$ respectively.   | Employers and employees (representation equal), and impartial chairman appointed by Crown.                     | Employers, employees, and commune; representation $\frac{2}{9}$ , $\frac{5}{9}$ , and $\frac{2}{9}$ respectively.                  | Employers and employees; representation equal.   |
|   | Insurance Commissioners.  | Local, and provincial officials under Minister of Interior.   | Insurance Committee.   | State Insurance Institution.   | State Social Insurance Commission.   |
| <b>Control of Carrier</b>               | 1. "Approved societies" by members.<br>2. "Deposit contributors" fund by Insurance Commissioners.   | Employers and employees; representation $\frac{2}{3}$ and $\frac{1}{3}$ respectively.   | Employers and employees (representation equal), and impartial chairman appointed by Crown.                     | Employers, employees, and commune; representation $\frac{2}{9}$ , $\frac{5}{9}$ , and $\frac{2}{9}$ respectively.                  | Employers and employees; representation equal.   |
|   | Insurance Commissioners.  | Local, state, superintending and imperial insurance offices.  | Insurance Committee.   | State Insurance Institution.   | State Social Insurance Commission.   |
| <b>Government Supervision</b>           | 1. "Approved societies" by members.<br>2. "Deposit contributors" fund by Insurance Commissioners.   | Employers and employees; representation $\frac{2}{3}$ and $\frac{1}{3}$ respectively.   | Employers and employees (representation equal), and impartial chairman appointed by Crown.                     | Employers, employees, and commune; representation $\frac{2}{9}$ , $\frac{5}{9}$ , and $\frac{2}{9}$ respectively.                  | Employers and employees; representation equal.   |
|   | Insurance Commissioners.  | Local, and provincial officials under Minister of Interior.   | Insurance Committee.   | State Insurance Institution.   | State Social Insurance Commission.   |

# VOLUNTARY HEALTH INSURANCE IN NEW YORK CITY

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ANNA KALET

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The investigation the results of which are here summarized was begun in June 1914 to meet the desire of the Committee on Social Insurance of the American Association for Labor Legislation for information concerning the number and kind of agencies furnishing health insurance within the city of New York.

In the search for information scores of visits were made to organizations as widely different in character as the United Hebrew Charities, the Association for Improving the Condition of the Poor, the American Federation of Labor, the Central Federated Union, the State Department of Labor, local traction companies, publishers of Italian, Hebrew, German, Greek, and Croatian newspapers, and executives of numerous educational, immigration, and philanthropic societies. Upon several occasions meetings of fraternal organizations were attended. Several funds were discovered only by walking through congested districts and copying from placards displayed in store windows the names and addresses of the societies thus publicly announcing their entertainments. In some instances where the usual sources failed to bring results the records of undertakers proved suggestive.

It was found that there exist in this great cosmopolitan city literally thousands of petty health insurance funds, most of them branches of larger organizations which belong to five principal types. For purposes of closer study, thirty-six of the largest of these organizations were selected, including representatives of each type, namely fourteen fraternal societies, eleven trade unions, seven mutual assessment societies, two private stock companies, and two establishment funds.

## MEMBERSHIP

Many of these organizations maintain headquarters in New York and have branches throughout the country. Leaving outlying

lodges out of consideration, however, the number of persons in New York City carrying health insurance in the thirty-six funds especially studied may be estimated approximately as follows:

|                                  |         |
|----------------------------------|---------|
| Fraternal societies .....        | 104,000 |
| Trade unions .....               | 20,000  |
| Mutual assessment societies..... | 32,000  |
| Stock companies .....            | 8,000   |
| Establishment funds .....        | 6,000   |
| <hr/>                            |         |
| Total .....                      | 170,000 |

In the fraternal and the establishment funds all members are insured against sickness. The trade unions, mutual societies, and stock companies, however, have many members who do not carry health insurance, and in the above estimate only those actually carrying such insurance have been counted.

#### HEALTH REQUIREMENTS FOR ADMISSION

The applicant's state of health, as far as this investigation could determine, is taken into account by every fraternal society, by most of the trade unions, by all mutual assessment societies and stock companies, and by the establishment funds visited.

All of the fraternal societies investigated admit only people in good health. Twelve of them require a medical examination of applicants; those ill at the time of application (whether the disease be chronic or acute) are not admitted.

Of the eleven trade unions visited, in two, members ill with chronic diseases are barred from the sick benefit fund; in four unions people in "good health" only are admitted to the union, and therefore, to the sick benefit; in two unions medical examination is required of participants in the sick benefit and ill people are not admitted to the fund; in two unions no special physical requirements exist; and in the last union no answer to this question was obtained.

Of the seven mutual societies two require medical examination of applicants; the five others require a detailed statement as to the applicant's health. Chronic diseases at the time of application debar from membership in these mutuals.

The same is true in one of the stock companies visited. An offi-



cial of the other stated that only sufferers from serious chronic diseases are barred. The establishment funds of a rapid transit company and of a well known show house require medical examination of all applicants for admission to the relief fund and only those in good health are accepted.

#### DISCRIMINATION AGAINST HAZARDOUS OCCUPATIONS AND OLD AGE

The particular hazard of the occupation is considered by only a part of the associations visited. Of the fourteen fraternal societies only one charges higher rates to workers in hazardous occupations; the others have no provision on the subject. The attitude of the trade unions is of course one of non-discrimination, since the members belong to one trade. More interesting is the attitude of mutual assessment societies and stock companies which, as usual in other branches of their business, give very careful attention to the occupation of the policy holder. One indemnity company, for instance, has a list of 3,600 occupations, which are graded according to hazard into nine classes, one of which is completely barred from insurance. In special health policies and in combination health and accident policies the premium charges for sickness indemnity increase with the hazard of the occupation. Mutuals and stock companies debar workers in extra-hazardous occupations, such as aviators, racers of all kinds, professional baseball players, and makers of explosives. Those at the other end of the line, people having no occupation, are also barred from insurance by one stock company and by some of the mutuals.

The usual maximum age limit for admission to fraternal societies ranges from forty-five to fifty years. There are some exceptions: one society does not admit men over thirty-five years, while another sets the maximum age of admission at sixty years. In some of the trade union funds the age limit is forty-five, in others fifty years; one does not admit members over forty years old. The mutuals and the stock companies usually admit elderly people, up to sixty years. One of the establishment funds admits no employee over forty-five years of age, but the other has no age restriction. In addition to the absolute exclusion of applicants beyond a certain age, many funds, as will later be shown, raise the rates of contribution for those in the older groups.

### ADMISSION OF WOMEN

Of the fourteen fraternal societies one is composed of women only, eight of men only; of the remaining five, three admit women on equal terms with men. One charges lower rates and pays smaller benefits to housewives, and one admits only the wives and unmarried daughters of the members and then only provided they are proposed by their relatives. In this society women pay smaller dues, but are permitted to carry life insurance only. Two of the larger Hebrew orders, numbering over 700 lodges in this city, do not admit women to membership with men, but one of these two has three separate lodges for women only. Among the trade unions, it is reported that women are always admitted to sick benefits whenever they are in the trade. Of the eleven union funds studied, three admit women—two on the same conditions as men, while one charges women lower rates and pays them smaller benefits. Six of the seven mutual societies admit women on equal conditions with men; one gives equal consideration if they are in occupations which are also pursued by men. One of the two stock companies visited does not insure women. The two establishment funds give women members equal privileges with men.

### PREMIUMS AND CASH BENEFITS

Cash benefits during illness are given by every one of the health insurance funds which were studied. The premiums or dues payable in order to secure these cash benefits vary considerably in different organizations, and sometimes vary within the same organization according to the age or occupation of the applicant and the amount of benefit desired.

A majority of the fraternal societies require the payment of less than \$1 a month; two charge \$1 a month, and in two societies the dues exceed that amount. These payments, however, usually entitle the member to cash benefit only. The society charging the smallest dues, 20 to 55 cents a month, pays a sick benefit of \$3 to \$8 a week for a maximum of six weeks each year. As in all fraternal societies investigated, there is also a small death benefit. Of the two societies charging \$1 a month, one furnishes a maximum of \$100 a year sick benefit (and in addition \$10 a week for hospital treatment as long as necessary). The sick benefit of the sec-

ond of these societies is customarily limited to \$50 a year, although in some lodges it is higher. The dues of the fraternal societies sometimes depend on the member's age; one society not admitting persons over forty-five years old has three grades of rates, while another, with an age limit of fifty-seven, has four grades. Ten societies, however, have only one rate for all members.

In the trade unions it is sometimes hard to determine what part of the regular dues is devoted to sick benefit. In one union where the dues are 25 cents a week for men and 15 cents for women, 10 cents and 7 cents respectively go to the sick benefit fund. The benefit is \$5 a week for five weeks a year to men and \$3 to women. In another, a cigarmakers' local, people not entitled to sick benefit pay 15 cents a week less, so that apparently 15 cents a week is charged for this benefit, which amounts to \$5 a week for thirteen weeks a year. Only one union has a charge expressly for sick benefit; it requires a contribution of 25 cents a month and pays \$5 a week for ten weeks; certain tuberculous members receive a lump sum of \$100 to \$150 (for others there is medical treatment). The members of a German printers' local pay about \$1 a week (90 cents and 1 per cent of wages), 30 cents of which go to the sick benefit fund; the regular benefit is \$5 a week until \$400 is paid, but some members pay lower dues and receive smaller benefits. In none of the unions visited is there a grading of rates according to age, one rate being used for all entitled to admission.

The mutual societies usually sell their insurance on a basis of monthly premiums. In five such cases the benefits vary from \$2 to \$20 a week, the premiums from 50 cents to \$3 a month. These charges, however, include accident and life insurance. In some of the societies so-called "special policies" are sold at rates as high as \$4.50 a month. Two of the seven mutuals visited sell policies on weekly payments only, their rates running from 5 cents to 40 cents a week. There is only one society which charges the former low rate. For this sum it pays a sick benefit of \$2, but after the age of forty the rate is doubled for the same amount of benefit. The highest rate charged by this society for sick benefit alone is 20 cents a week, the corresponding benefit being \$4 a week paid for eight weeks each year. In the other organizations also, the time for which a member is entitled to sick benefit is generally limited to a certain number of weeks a year, usually six to ten, though a few

pay for longer periods. The premium is increased 50 per cent and by some mutuals 100 per cent to applicants over fifty years old.

Of the two stock companies visited one usually conducts its business on an annual basis and charges for health insurance from \$8 to \$17 a year, according to the hazard of the occupation, for \$5 a week sick benefit, payable for fifty-two weeks. There are two grades of rates according to age, people between fifty and sixty paying 50 per cent more than the regular charge, and eight grades according to the occupational hazard. The other stock company has in its industrial department different policies, on which the premium charges vary from \$1 to \$5 a month according to occupation. The benefit in case of sickness or accident runs from \$12.50 to \$60 a month, an additional benefit being paid in case of accidental death. Applicants between the ages of fifty and fifty-five are charged 50 per cent in addition to the regular premium while those between fifty-five and sixty are charged 100 per cent additional. The high cost of stock company health insurance is shown by the fact that according to their annual reports to the New York State Superintendent of Insurance one of these companies took in during 1914 in premiums for health insurance alone \$73,216 and paid out in claims \$30,714, while the second took in \$400,448 and paid out \$191,942.

One of the establishment funds examined charges 75 cents, \$1.50, and \$3 a month, and pays benefits of 50 cents, \$1, and \$2 a day for the first fifty-two weeks, after which the benefit is reduced one-half. In addition, there is a death benefit. The theater where the second establishment fund is located runs thirty-eight weeks a year, and the insurance is in force only during the season; dues are 10 cents a week during this period and an initiation fee of \$3 is also charged. The benefit is \$7 a week for six weeks, which by vote of the board of directors can be extended to twelve weeks.

The policy of providing only cash benefits has the serious defect that receipt of cash benefit alone may in some cases offer a stronger incentive to malingering than if the money were accompanied by medical care by the society doctor. It is frequently stated that private physicians, when asked for sickness certificates, are inclined to be lenient, whereas lodge doctors are more likely to be strict.



## MEDICAL SUPERVISION

In all funds investigated a doctor's certificate is required with the application for sick benefit. The sort of physician supplying this certificate is considered important because, it is argued, a private physician may be in some cases more lenient than a lodge or society physician.

In almost all of the fraternal societies studied the certificate is furnished by the society doctor. The reverse is true of trade unions, only one of which has its own physician. The mutuals and one of the stock companies accept the certificate of any doctor. The second company and the two establishment funds accept only the certificates of their own doctors.

Another problem which all kinds of associations furnishing health insurance have to face is that of malingering. Besides the physician's certificate, the fraternal societies and trade unions have an additional safeguard in the form of the sick "visiting committee." They all, except one women's society, appear to have such committees, consisting of from one to seven persons usually selected in succession from the membership. It may be said, by the way, that friendly assistance, or the expression of condolence, is in many cases another object of the visiting committee. The mutuals have no sick committees; their safeguard against malingering is the doctor's certificate. None of the stock companies or establishment funds visited is provided with sick committees; judgments as to the member's state of illness are made by the company physician.

## FINANCIAL SUPERVISION

Methods of paying sick benefits and especially of verifying accounts are an important element in conducting health insurance. The fraternal societies and trade unions do their work in the same way. In the larger fraternal societies and trade unions the benefits are paid at the office. In the societies and unions that have no offices the benefits are either sent by mail, or taken to the sick member's home, or paid at the financial secretary's home. Receipts signed by the sick members are sent with the secretary's reports to the main office. Auditing committees are elected or appointed in each local fraternal society or union. The main organizations also

have auditing committees, and a few of the larger societies and unions employ expert accountants.

None of the trade union funds is under state supervision. Of the fourteen fraternal societies studied, only the six largest are so supervised. These are required to send annual reports to the state insurance department, and are subject to examination by the department every three years, but the actual period between examinations is usually somewhat longer.

In the seven mutual assessment societies and in one of the two stock companies visited, the benefits are paid usually at the office, but sometimes they are sent by mail. In the other stock company payments are made by authorized agents. Branches send reports to the home offices, where they are audited, and all mutuals and stock companies are under state supervision. In one establishment fund the benefits are paid by the treasurer of the company upon presentation of a certificate signed by the superintendent of the fund, whose accounts are audited annually. In the other establishment fund sick benefits are paid by the fund treasurer, accounts being audited quarterly. Establishment funds are outside of the state's control. In the larger of the two visited, the company has general charge of the benefit fund, while the smaller is entirely in the hands of the employees.

#### MEDICAL BENEFIT

Practically the only voluntary health insurance agencies in New York City which furnish their members with medical care are the fraternal societies. Of the fourteen organizations of this class which were visited, only two fail in this respect. On the other hand, only one of the eleven trade unions and only one of the two establishment funds provide medical care, while this feature of health insurance is entirely neglected by all the mutuals and stock companies studied.

The medical care given by the fraternal orders visited, for which a charge in addition to the regular dues is usually made, consists of treatment by a physician selected by the organization, but no medicines or nursing services are included. In addition, seven of the societies make some effort toward meeting the need for hospital treatment. Thus one society, composed of German waiters, contributes \$10 a year to a hospital, and is allowed the free use of a

bed "when one is vacant." A Serbian and a Greek federation each pay higher benefits when hospital care is needed. A large Jewish society provides hospital treatment only for tuberculous members. Those suffering from the disease are entitled to either six months at the organization's sanatorium at Liberty, N. Y., or \$100 cash. Two other Jewish orders meet the problem much less efficiently. Both contribute considerable sums to hospitals, one having a special hospital fund out of which in the years 1911-1913 the sum of \$13,273 was donated. According to the information received, there is no agreement with any special hospital, but "influence" is frequently used. When a member needs hospital treatment and is unable to meet the expense, it was reported, an officer of the lodge or some other member of higher social connections uses his "influence" with the authorities of one of the several hospitals to which the order contributes, and secures treatment for the needy member for as long a period as necessary. Not all lodges in these two orders furnish medical treatment. One secretary stated that the lodges composed of people of higher financial standing do not employ lodge doctors. The number of such lodges is very small, however.

The one union, of those investigated, which provides medical treatment is in exceptionally favorable circumstances for this purpose for it is under the jurisdiction of the Joint Board of Sanitary Control. It provides medical attendance for ill members, and tuberculous members who, in the doctor's opinion, require sanatorium treatment, are sent to Liberty, N. Y., where they may remain for twenty weeks in each year. The expense is paid by the union, and \$1 a week in cash is given to each patient for incidental expenses. Visiting nurses are employed for the care of tuberculous members living in New York City.

The establishment fund which provides medical care is that connected with a playhouse. Here not only is a physician provided, who is paid by the employees, but he also dispenses medicine—the only case in which this is done among all the thirty-six societies visited. Nurses are always present in the theater for attendance on emergency cases.

#### PHYSICIAN'S REMUNERATION

The much-discussed question of the society or lodge physician's remuneration is answered almost uniformly by the fraternal so-

cieties visited. In eight societies, six of them national organizations with over 1,800 branches, the branches employ doctors at the rate of \$1 a year per member, this fee usually being paid by the member in addition to his regular dues. If the member's family wishes to be included in the agreement, an additional \$1 is charged; in some cases the extra charge is \$2 and in one case only 50 cents. Two independent societies pay an annual salary of \$175 and \$225. This is for the treatment of members only; in one of these societies an additional charge is made of 50 cents a year for a family. One small German society pays its physician 50 cents a visit. The remaining two do not provide medical treatment for members.

Since the trade unions visited, with one exception, do not furnish medical benefit, they have no physicians in their employ. Although the mutual societies and the stock companies provide no medical care for their policy holders, they engage physicians as examiners. In the seven mutuals the remuneration of these examiners varies from \$170 to \$420 a year. In one of the two stock companies the physician is paid \$2 for each examination; in the other he has also office duties to perform and is paid a salary.

#### INEFFICIENCY OF MEDICAL CARE

The prevailing absence of medical care among voluntary health insurance agencies obviously makes for highly unsatisfactory conditions of treatment for the insured. Members of trade unions, and those insured in the mutuals and in the stock companies, have to resort to private physicians. As trade union sick benefits are usually small, about \$5 a week in most unions, and those of wage-earners insured in the mutual societies and stock companies are none too generous, it is doubtful whether they consult a doctor promptly and frequently enough. Furthermore, the quality of their medical service is questionable, as they are not always able to engage a physician who is efficient and of high standing in his profession.

The probable poor quality of medical service is a point which applies equally to the small fraternal societies, including lodges of big orders. The small remuneration paid usually fails to attract as "lodge doctors" any but young, inexperienced beginners, willing to work for the barest livelihood in order to "make a start."



As a result, hospitals and dispensaries, especially the latter, are heavily patronized by wage-earners, and the services of these institutions, because they command better instruments and methods, are often preferable to the treatment given by individual doctors. Unfortunately, complaints are frequently heard of carelessness and incivility on the part of the staff towards the people who are compelled to use the dispensaries and hospitals. It is also very frequently stated in the press and verbally, even by members of the medical profession, that the demand on these two classes of institutions is far in excess of their equipment, so that patients do not receive the full amount of necessary attention.

#### SOME DEFECTS IN THE POLICIES OF MUTUAL SOCIETIES AND STOCK COMPANIES

Both mutuals and stock companies—especially the latter, which are in business for profit—occasionally put into their policies a number of clauses which diminish the apparent value of the insurance agreement. For instance, a statement in prominent type as to the weekly benefit paid by the company is usually followed, though not immediately, by an enumeration, in small type, of conditions under which the insured is to receive a smaller benefit. Thus no benefit is paid by some companies unless the doctor visits the insured twice a week. Other companies reduce the benefit if the insured was injured during an act which does not pertain to his regular occupation. Some common diseases are excluded by certain companies. One of the companies visited, for example, states: "No benefits shall be allowed for any disability caused by rheumatism, sciatica, neuralgia, lumbago, strained or sprained back, venereal disease, varicose veins, hemorrhoids, nervous prostration, and not to exceed one week of la grippe, neuritis, gastritis and bronchitis." By other organizations disability and death resulting from such chronic diseases as heart disease, tuberculosis, cancer, apoplexy, Bright's disease, paralysis, and epileptic fits are during the first two to four years of insurance compensated only partially. The clauses are in some cases ambiguous and settlements frequently bring disappointment to the policy-holders.

#### HEALTH EDUCATION

The important matter of instructing people in ways of guarding their health is given no consideration in a large majority of the

organizations investigated. The fraternal societies do little or nothing. One of them occasionally publishes articles and arranges lectures on the prevention of tuberculosis. Another prints in its monthly paper at irregular intervals articles on health.

Of the eleven trade unions, only two undertake preventive work. A large printers' union has in every shop or "chapel" a sanitary subcommittee, consisting of one member, the "time chairman" elected by the workers. He usually supervises sanitary conditions in the shop, but as there are no particular rules or standards each chairman in turn acts according to his individual judgment. When something seems to him insanitary he reports it to the sanitary committee of the local, consisting of three people appointed for a year by the president. This committee from time to time takes up questions of sanitation with the state department of labor. Much more efficient preventive work is done by the Joint Board of Sanitary Control in the garment trades, but of the unions visited only one is under the jurisdiction of this board. In two cases it was stated that very rarely, once in several years, representatives of the board of health lectured before the union.

The mutuals, the stock companies, and the establishment funds visited report no preventive work.

#### CONCLUSIONS

To summarize the main findings, it can be stated that a considerable number of wage-earners in this city are carrying health insurance of the unsatisfactory kinds described. Many, however, are still not provided for, either because they are unable to bear the cost or because they are disqualified. Discrimination is exercised against three probably numerous groups of people, namely, people not in good health ("poor risks," in insurance terminology), those engaged in hazardous occupations, and persons in middle life. Women, also, are barred by many fraternal, by some of the mutual societies and stock companies.

Another weak point of the present inadequate system of health insurance is the lack of state control. A large number of fraternal societies and all trade unions and establishment funds are outside of state supervision so that no protection is furnished to the financial interests of the members.

The benefits paid are small and of short duration. Whether in the form of cash or a combination of cash and medical attendance, they do not result in as much advantage to the beneficiary as they would if efficient medical care were a part of the system. Medical care is not common, and when it is provided it is likely to be very inadequate.

As to the cost of insurance, it is generally agreed that this cost is high in the stock and even in the mutuals. It is lower in the fraternal and mutuals, but these agencies, except, perhaps, their largest representatives, are lacking in security.

Last, but not least, the very important problem of disease prevention seems to be wholly ignored by the existing agencies for health insurance. Apparently no method has been devised by them, or even considered, for bringing financial pressure to bear upon those who can be most effective in the necessary work of health conservation.

Throughout the study, the main impression gathered was the need of an adequate universal system of health insurance, at minimum cost, which would be financially sound and which would bring employers and employees together for actual local administration under state supervision and for preventive work.

## BRIEF FOR HEALTH INSURANCE

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The American movement for health insurance rests upon the recognition of the following six points:

*I. High sickness and death rates are prevalent among American wage-earners.*

*II. More extended provision for medical care among wage-earners is necessary.*

*III. More effective methods are needed for meeting the wage loss due to illness.*

*IV. Additional efforts to prevent sickness are necessary.*

*V. Existing agencies cannot meet these needs.*

*VI. Compulsory contributory health insurance providing medical and cash benefits is an appropriate method of securing the results desired.*

### **I. HIGH SICKNESS AND DEATH RATES ARE PREVALENT AMONG AMERICAN WAGE-EARNERS.**

A nation can be no stronger than its industrial workers. The amount of ill health at present existing among the wage-earners of America calls for vigorous social action for its cure and prevention.

#### **1. The Amount of Disability Due to Sickness among Wage-Earners Is High.**

In the United States, as in other countries before comprehensive systems of health insurance were instituted, complete morbidity statistics are lacking. Every investigation which has been made, however, shows a large amount of disability due to sickness among working people.

A community sickness survey by the Metropolitan Life Insurance

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"The complete morbidity data which will be collected through the operation of such a system as well as the money value it places upon good health, will be a powerful factor in the prevention of sickness among the industrial population."—Weekly Bulletin of the Department of Health, New York City, January 29, 1916.



Company, for instance, resulted in the estimate that in Rochester, N. Y., of each 1,000 males 15 years or over, 23.3 are ill at any one time, and that of each 1,000 women 15 years or over, 25.7 are so ill at any one time that they are unable to work. This means for men an average of 8.5 days of disability a year and for women 9.4 days. For the entire city of Rochester this means that 2,147 men over 15 are constantly sick, which, assuming 300 working days a year, makes a total of 644,000 days of disability. Of the total 34,490 persons of all ages covered among the working class, 2 per cent had been ill more than one week.<sup>1</sup> The results of a smaller survey in Trenton, N. J., correspond closely with those in Rochester.<sup>2</sup> A recent study in Indiana showed that 17.9 per cent of unemployment among women in stores in that state was due to illness.<sup>3</sup> In 1901 a federal investigation of 25,440 workmen's families showed that 11.2 per cent of heads of families were idle during the year solely on account of sickness and that the average period of such unemployment was 7.71 weeks, or an average for all the heads of families, sick and well, of 11.2 per cent  $\times$  7.71  $\times$  7, or six days. An additional 3.7 per cent of heads of families idle for combinations of reasons in which sickness was one element would increase the average.<sup>4</sup>

For the country as a whole an estimate based upon German experience indicates that among the 33,500,000 occupied men and women there occur annually 13,400,000 cases of illness, causing 284,750,000 days of disability, or an average of 8.5 days per person.<sup>5</sup>

Probably the most extensive actual study in this field was undertaken for the recent federal Commission on Industrial Relations.

<sup>1</sup> Lee K. Frankel, "Community Sickness Study," United States *Public Health Reports*, February 25, 1916, pp. 431, 433, 435.

<sup>2</sup> *Ibid.*, p. 437.

<sup>3</sup> *Final Report of the Commission on Industrial Relations*, 1915, p. 202.

<sup>4</sup> *Eighteenth Annual Report of the U. S. Commissioner of Labor*, "Cost of Living and Retail Prices of Food," 1903, p. 45.

<sup>5</sup> American Association for Labor Legislation, "Memorial on Occupational Diseases," *American Labor Legislation Review*, January 1911, p. 127.

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"I believe health insurance which protects workingmen during a period of sickness is just as important as compensation insurance to protect workingmen during injuries received while following their occupation. —Van Bittner, President, District No. 5, United Mine Workers of America.

The investigation covered nearly 1,000,000 workers in representative establishments and occupations, and as a result it was tentatively stated that each of this country's 30,000,000 workers loses annually an average of about nine days on account of illness alone. "Much attention is now given to accident prevention," declares the commission, "yet accidents cause only one-seventh as much destitution as does sickness."<sup>7</sup>

## 2. The Industrial Population Has a High Tuberculosis Death Rate.

Tuberculosis, which is peculiarly a disease of overwork, malnutrition, and insanitary surroundings, is a prevalent cause of death among the industrial population.

Hayhurst has shown that of 140 specified occupations listed in the United States mortality statistics for 1909, tuberculosis, "the 'captain of death' among occupied persons," was the chief cause of death in ninety-six.<sup>8</sup>

A federal investigation in Fall River in 1907 showed that among cotton mill operatives ten years of age and over 32.8 per cent of the 287 male deaths and 37.5 per cent of the 299 female deaths studied were due to this disease. Among persons ten years and over who were not cotton mill operatives, 13.9 per cent of the 1,097 male deaths and 8.5 per cent of the 1,271 female deaths studied were due to the same cause.<sup>9</sup>

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<sup>6</sup> B. S. Warren and Edgar Sydenstricker, "Health Insurance: Its Relation to the Public Health," United States *Public Health Bulletin* No. 76, March 1916, p. 6.

<sup>7</sup> *Final Report of the Commission on Industrial Relations*, 1915, p. 202.

<sup>8</sup> Emery R. Hayhurst, "The Appalling Mortality among Occupied Persons Due to Preventable Causes," Ohio State Board of Health *Monthly Bulletin*, August, 1913.

<sup>9</sup> Arthur R. Perry, "Causes of Death among Woman and Child Cotton-Mill Operatives," *Report on the Condition of Woman and Child Wage-Earners in the United States*, Senate Document 645, 61st Congress, 2nd Session, Vol. XIV, p. 71.

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"In my opinion, insurance against occupational diseases and sickness or, in other words, health insurance, is of far greater importance to society than accident insurance."—James H. Maurer, President, Pennsylvania Federation of Labor.

In dusty trades, generally, the tuberculosis death rate is particularly high, as the following table shows:<sup>10</sup>

MORTALITY FROM CONSUMPTION, 1897-1906, IN OCCUPATIONS EXPOSED TO DUST, COMPARED WITH THAT OF ALL MALES AGED FIFTEEN OR OVER IN THE UNITED STATES REGISTRATION AREA, 1900-1906

|  | Percentage of Deaths<br>Due to Consumption |
|--|--|
| Males, registration area, 1900-1906 .....              | 14.8                                       |
| Occupations exposed to vegetable fiber dust .....      | 24.8                                       |
| Occupations exposed to mineral dust .....              | 28.6                                       |
| Occupations exposed to animal and mixed fiber dust.... | 32.1                                       |
| Occupations exposed to metallic dust .....             | 36.9                                       |

In 1914 in Massachusetts, where the Metropolitan Life Insurance Company insured one out of every six persons in the state, tuberculosis caused 13.4 per cent of the total 7,273 deaths among this company's industrial policy holders, whereas among the general population over one year of age tuberculosis accounted for 9.6 per cent of the total 43,315 deaths of 1913.<sup>11</sup> "This," says Louis I. Dublin, statistician for the company, "is an important difference, and may be directly charged to the greater life strain to which the industrial classes of the community are subjected. Tuberculosis mortality is especially significant because it affects the main working period of life, the average age of those dying from tuberculosis being thirty-seven years." The relative frequency of death from pulmonary tuberculosis in various trades and professions is graphically brought out by the chart on the opposite page.

### 3. Death from Degenerative Disease of Middle Life Is Prevalent among Wage-Earners.

Not only does tuberculosis visit the homes of wage-earners with excessive frequency, but deaths from degenerative diseases of middle

<sup>10</sup> Frederick L. Hoffman, "Mortality from Consumption in Dusty Trades," United States Bureau of Labor *Bulletin No. 79*, pp. 681, 726, 783, 829.

<sup>11</sup> Louis I. Dublin, "Mortality of the Industrial Population of Massachusetts," Massachusetts State Department of Health *Public Health Bulletin*, Vol. 2, No. 10, November 1915, p. 274.

"There is to-day being launched a greater movement than that against tuberculosis, a movement against all unnecessary diseases through an American system of health insurance..... Even on the score of money economy, it will pay employers, employees, and society to institute a system of safeguarding the health of the people."—Irving Fisher, Professor of Political Economy, Yale University, 1916.

# PULMONARY TUBERCULOSIS.

*Number of Deaths per 100,000 of Population in the Registration Area among Males 10 Years of Age and Upward in Specified Occupations: 1900.*

|  |     |  |
|--|-----|--|
| MARBLE AND STONE CUTTERS                     | 541 |  |
| CIGARMAKERS AND TOBACCO WORKERS              | 477 |  |
| COMPOSITORS, PRINTERS, AND PRESSMEN          | 453 |  |
| SERVANTS                                     | 436 |  |
| BOOK KEEPERS, CLERKS, AND COPYISTS           | 430 |  |
| LABORERS (NOT AGRICULTURAL)                  | 415 |  |
| TINNERS AND TINWARE MAKERS                   | 398 |  |
| CABINETMAKERS AND UPHOLSTERERS               | 371 |  |
| MUSICIANS AND TEACHERS OF MUSIC              | 365 |  |
| BARBERS AND HAIRDRESSERS                     | 359 |  |
| SAILORS, PILOTS, FISHERMEN, AND OYSTERMEN    | 350 |  |
| PAINTERS, GLAZIERS, AND VARNISHERS           | 342 |  |
| LEATHER MAKERS                               | 335 |  |
| APOTHECARIES, PHARMACISTS, ETC               | 333 |  |
| COOPERS                                      | 319 |  |
| PLUMBERS AND GAS AND STEAM FITTERS           | 311 |  |
| MASONS (BRICK AND STONE)                     | 306 |  |
| BUTCHERS                                     | 300 |  |
| SALOON AND RESTAURANT KEEPERS                | 294 |  |
| LIVERY STABLE KEEPERS AND HOSTLERS           | 294 |  |
| DRAYMEN, HACKMEN, TEAMSTERS, ETC.            | 288 |  |
| BOATMEN AND CANALMEN                         | 286 |  |
| BREWERS, DISTILLERS, AND RECTIFIERS          | 268 |  |
| JANITORS AND SEXTONS                         | 261 |  |
| HUCKSTERS AND PEDDLERS                       | 257 |  |
| BAKERS AND CONFECTIONERS                     | 251 |  |
| IRON AND STEEL WORKERS                       | 251 |  |
| CARPENTERS AND JOINERS                       | 250 |  |
| ENGINEERS AND FIREMEN                        | 236 |  |
| LEATHER WORKERS                              | 231 |  |
| TAILORS                                      | 230 |  |
| BLACKSMITHS                                  | 227 |  |
| HOTEL AND BOARDING HOUSE KEEPERS             | 218 |  |
| MILL AND FACTORY OPERATIVES (TEXTILES)       | 213 |  |
| MILLERS (FLOUR AND GRIST)                    | 210 |  |
| MACHINISTS                                   | 208 |  |
| ARCHITECTS, ARTISTS, TEACHERS OF ART, ETC.   | 196 |  |
| JOURNALISTS                                  | 189 |  |
| GARDENERS, FLORISTS, AND NURSERYMEN          | 187 |  |
| PHYSICIANS AND SURGEONS                      | 169 |  |
| MERCHANTS AND DEALERS                        | 164 |  |
| SCHOOL TEACHERS                              | 145 |  |
| LAWYERS                                      | 144 |  |
| POLICEMEN, WATCHMEN, AND DETECTIVES          | 140 |  |
| BOOT AND SHOE MAKERS                         | 137 |  |
| COLLECTORS, AUCTIONEERS, AND AGENTS          | 136 |  |
| STEAM RAILROAD EMPLOYEES                     | 135 |  |
| CLERGYMEN                                    | 131 |  |
| MINERS AND QUARRYMEN                         | 130 |  |
| FARMERS, PLANTERS, AND FARM LABORERS         | 124 |  |
| LUMBERMEN AND RAFTSMEN                       | 121 |  |
| BANKERS, BROKERS, AND OFFICIALS OF COMPANIES | 112 |  |

*United States Census Bureau: Tuberculosis in the United States, 1908.*



life are also very prevalent. Public health authorities are now taking pains to point out that among adults in this country deaths from degenerative diseases—*i.e.*, diseases of the heart, blood vessels, and kidneys—have practically doubled during the last thirty years,<sup>12</sup> and two recent writers<sup>13</sup> have even called these diseases "menaces to national vitality."

On this point the following industrial experience of the Metropolitan Life Insurance Company is of special value:

COMPARISON OF MORTALITY RATES—WHITE MALES AND FEMALES—BY PRINCIPAL CAUSES OF DEATH

(Metropolitan Industrial Experience, 1911, Paid-up Policies Excluded, Ages 15 and Over)

| Cause of Death                      | Males               | Females |
|-------------------------------------|---------------------|---------|
|                                     | Per 100,000 at Risk |         |
| Tuberculosis (all forms) .....      | 353.46              | 219.82  |
| Organic diseases of the heart ..... | 198.85              | 193.45  |
| Diseases of the arteries .....      | 32.74               | 22.31   |
| Pneumonia (all forms) .....         | 143.04              | 103.33  |
| Cirrhosis of liver .....            | 36.47               | 17.54   |
| Bright's disease .....              | 154.92              | 125.72  |

"It may be assumed," declares Dr. Lee K. Frankel on the basis of these figures, "that the males and females referred to in this table belong to the same social stratum and that their home environment is the same. The excess in male deaths must, therefore, be attributed to the occupational hazards to which the men are exposed. The females, in the main, are wives of working men and lead more sheltered lives."<sup>14</sup>

That degenerative diseases are, in part, a result of the industrial strain imposed upon men is further indicated by life insurance experience in Massachusetts. In that state, notwithstanding the exclu-

<sup>12</sup> Eugene Lyman Fisk, "Diseases of Adult Life and Middle Age," New York State Department of Health, *Health News*, May, 1915.

<sup>13</sup> Josephine Goldmark and Felix Frankfurter, *Brief for Defendant in Error*, Oregon men's ten-hour law case, U. S. Supreme Court, October term, 1915.

<sup>14</sup> Lee K. Frankel, "Occupational Hygiene," paper read before the Detroit Conference, Niagara Falls, September 1913, reprint, p. 3.

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"The provision of medical care alone promises much for the prevention of sickness through detection of incipient diseases."—New York Sun, January 29, 1916.

sion of the poorer risks through medical inspection, the death rates from organic diseases of the heart, nephritis and Bright's disease among Metropolitan industrial policy holders are higher than those for the general population. While the difference between the death rates of these selected workers and of the general population is slight for the state as a whole, for individual industrial cities, such as Worcester, it is very marked.<sup>15</sup>

The study of degenerative diseases and the medical examinations made by the Life Extension Institute have led Dr. Eugene Lyman Fisk, its director of hygiene, to believe that although the statement does not apply to the higher grade mechanics, "there is a higher mortality rate from degenerative affections among the mass of industrial workers."

#### **4. An Excessive Infant Mortality Rate Is Found among the Industrial Population.**

Recent studies in this country show the truth for America of what has repeatedly been proven abroad, that there is an excessively high infant death rate among the wage-earning section of the population. In Johnstown, Pa., for example, it was found that in the ward where lived the poorest paid part of the community, those doing unskilled work in the mines and steel mills, the infant mortality rate was twice that of the city as a whole, and five times that of the most favorable sections.<sup>16</sup> Throughout the city the mortality rate for all live babies under one year born in wedlock was 130.7 per 1,000. In families where the father earned \$1,200 or more a year, or had "ample" income, the death rate was 84 per 1,000; when the father earned less than \$521 a year or less than \$10 a week, the death rate rose to 255.7 per 1,000. A similar study in Montclair, N. J., showed precisely the

<sup>15</sup> Louis I. Dublin, "Mortality of the Industrial Population of Massachusetts," Massachusetts State Department of Health, *Public Health Bulletin*, November 1915, p. 274.

<sup>16</sup> Emma Duke, "Infant Mortality in Johnstown, Pa.," United States Department of Labor, Children's Bureau, *Bureau Publication No. 9*, 1915, p. 46.

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"There is a vicious circle about disease and poverty. Poverty is well recognized as the chief cause of disease, and, in turn, disease very often plunges families into the abyss of poverty. Under our present economic and social conditions there is hardly a better remedy for the two scourges of our industrial population than social insurance."—Weekly Bulletin, New York City Department of Health, January 22, 1916.

same tendency—a heightened infant mortality rate with a decrease in the family income.<sup>17</sup>

If it be true that “a high infant mortality implies a high prevalence of the conditions which determine national inferiority,”<sup>18</sup> the infant death rate shown among American workers is indicative of conditions which stand sorely in need of correction.

## 5. The General Death Rate among Wage-Earners is High.

The experience of companies which do both an industrial life insurance business for small weekly payments among the lower paid workers and an ordinary business among other classes also shows a high mortality among the working population. The late John F. Dryden, president of the Prudential Insurance Company of America, testified before the Armstrong investigating committee in 1905 that the mortality among the class from which his company drew its industrial policy holders was higher than among “ordinary” policy holders,<sup>19</sup> due to the poorer clothing, less adequate food, and the absence of other “comforts and necessities of life” enjoyed by other portions of the population. Similar testimony was given by John K. Hegeman, president of the Metropolitan.<sup>20</sup> As far as can be determined, this situation has not changed since 1905.

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<sup>17</sup> “Infant Mortality, Montclair, N. J.,” United States Department of Labor, Children’s Bureau, *Bureau Publication No. 11*, 1915.

<sup>18</sup> *Journal of Royal Sanitary Institute*, London, 1915.

<sup>19</sup> State of New York, *Testimony Taken by the Legislative Insurance Investigating Committee*, 1905, Vol. 4, p. 3704.

<sup>20</sup> *Ibid.*, Vol. 2, pp. 1922, 1923.

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“Sickness insurance managed by the state is becoming a real possibility in Ohio.”—Ohio State Medical Journal, June, 1916.

## **II. BETTER PROVISION FOR MEDICAL CARE AMONG WAGE-EARNERS IS NECESSARY.**

Most wage-earners and their families do not have proper medical attention, as judged by modern standards, and very many of them entirely lack the advice of physicians and the most elementary nursing—even in maternity cases. Many of them are unable to pay the fees for private physicians' care; free hospital wards, dispensaries, and nursing service fail to meet the whole problem; and medical equipment is too scarce and too scattered for the universal provision of modern up-to-date treatment.

### **1. Wage-Earners Are Unable to Meet the Expense of Proper Medical Care.**

In the *Memorial on Occupational Diseases* it was estimated that at the rate of \$1 for each day of disability the annual expense of medical care among America's gainfully occupied men and women was \$284,750,000.<sup>1</sup> More recently the federal Commission on Industrial Relations calculated that at the rate of only \$6 for each person the cost of treatment for the country's wage-earners amounted "at the very least" to \$180,000,000 yearly.<sup>2</sup> On all sides it is rapidly becoming realized that wage-earners cannot meet these huge expenditures as at present distributed. During 1915 an analysis was made of the financial condition of 75,000 applicants to the Boston (Mass.) Dispensary. Of all the families with which the dispensary was in touch, 37 per cent lived on an annual income, including earnings of children, of \$600 or less; 49 per cent on \$700 or less; 70 per cent on \$800 or less; and 83 per cent on \$1,000 or less. If the income of the chief wage-earner alone be considered, but 3.5 per cent had more

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<sup>1</sup> American Association for Labor Legislation, "Memorial on Occupational Diseases," *American Labor Legislation Review*, January 1911, p. 127.

<sup>2</sup> *Final Report of the Commission on Industrial Relations*, 1915, p. 202.

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"A health insurance law, enabling persons with moderate incomes to command the paid services of the physicians is per se a great advance in health work."—E. H. Lewinski-Corwin, Executive Secretary, Public Health Committee, New York Academy of Medicine.



than \$1,000 a year. Nevertheless, the report states, "It is a general opinion among students of wage-earners' budgets that even small families in this vicinity living on \$1,000 or less should not be expected to purchase more medical service than that necessary to childbirth and acute illness in the home."<sup>3</sup>

Among 166 male heads of families studied by this dispensary, 264 cases of illness were found during the year. Although 73 of these cases were sufficient not merely to incapacitate the patient for work but to confine him to bed, 11 per cent of the bed cases were without medical aid of any kind. Among 137 cases not requiring confinement to bed, 53 per cent did not secure a physician.<sup>4</sup> In a special study, eligibility for treatment in the dispensary was questioned in 163 cases out of 1,414 (11.6 per cent) on the ground of ability to pay; after a study of the character of treatment required, only 1.12 per cent of the total were considered able to pay the minimum rates for private care. The dispensary estimates that among the population of a city like Boston probably one-fourth of the population is in a similar position. In the population as a whole it estimates that a majority of the self-supporting wage-earners are able to pay for cases of "ordinary illness" but are utterly unable to pay for medical assistance during prolonged illnesses or for the expensive services of specialists.<sup>5</sup>

It is not alone in Boston or in other large cities that wage-earners do not receive adequate medical care. For instance, the survey of sickness in five representative districts in Dutchess County, N. Y., made by the State Charities Aid Association, showed that in 1,600 cases of illness 882 of the patients, or more than half, though able to pay for "ordinary services" were unable to stand a prolonged drain upon family resources, while 212, or 13.2 per cent, were unable to pay for any service at all.<sup>6</sup> In all, 24 per cent of these patients re-

<sup>3</sup> Boston Dispensary, *Report for 1915*, p. 44.

<sup>4</sup> *Ibid.*, p. 17.

<sup>5</sup> *Ibid.*, pp. 17, 46.

<sup>6</sup> State Charities Aid Association, *Sickness in Dutchess County, New York*, 1915, p. 92.

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"The failure of many persons in this country at present to receive medical care constitutes the best argument for a change to the more effectual provision for medical attention offered by health insurance."—*Journal American Medical Association*, October 30, 1915.

ceived no medical care, and "many startling instances of unnecessary and indefensible suffering and misery were found."<sup>7</sup>

An even more startling lack of medical care was disclosed by the Rochester survey already mentioned. Thirty-nine per cent of the cases of sickness found did not have a physician in attendance. Of the total 661 persons whose illness was serious enough to prevent them from working, but 63.8 per cent had medical attention, while of 137 who were ill, but able to work, only 45.3 per cent were under a doctor's supervision.<sup>8</sup>

In the matter of dental service, also, necessary treatment is often foregone because of lack of funds. The teeth of a factory girl described by the New York Factory Investigating Commission needed the dentist's care badly. "But," she remarked, "I haven't the money to pay for having them fixed so I just let them go on hurting me."<sup>9</sup>

In all branches of medical work large numbers of wage-earners have only inadequate attention, or none at all, because of their inability to meet the cost upon the present basis of payment. Moreover, as will later be brought out, it is not just that the entire burden fall upon the worker.

## **2. Free Hospital Wards and Dispensaries Are Not Sufficient and Are Objected to by Many Wage Workers as Charity.**

In recognition of the inability of masses of wage-earners to purchase at regular rates the medical attention they need, free and partly free hospital wards and dispensaries have sprung up in large numbers in all the more important centers. Within the last fifteen years the number of dispensaries in this country has increased seven-fold.

In New York City alone forty-six hospitals associated with the United Hospital Fund, formerly the Hospital Saturday and Sunday Association, cared during the year 1913-1914 for 69,474 patients

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<sup>7</sup> *Ibid.*, p. 4.

<sup>8</sup> Lee K. Frankel, "Community Sickness Survey," *United States Public Health Reports*, February, 1916, p. 434.

<sup>9</sup> Esther Packard, "Living on Six Dollars a Week," *Fourth Report of the (New York) Factory Investigating Commission*, 1915, Vol. IV, p. 1686.

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"Health insurance is essential to the toiler who earns enough to support his family and no more. When sickness comes he and his are subjects of charity. This is fair neither to the individual nor to the race."—Brooklyn (N. Y.) Times, May 13, 1916.

(57 per cent of their total) who paid nothing for their treatment. In addition there were 25,168 part paying patients (21 per cent of the total). Of the total 2,183,538 days of treatment, 60 per cent were wholly free, and 13 per cent were paid for by the city, making a total of 1,581,673 days of treatment, or 73 per cent of the total, for which the patient paid nothing.<sup>10</sup> The dispensaries of the hospitals of this association during 1913-1914 were attended by 603,871 patients, who paid a total of 1,843,011 visits.<sup>11</sup>

Throughout New York state as a whole the hospital accommodations under supervision of the State Board of Charities include 185 private hospitals, which during the year ending September 30, 1915, cared for a total of 302,529 patients. Of this number 140,075, or 46 per cent, were cared for as public charges or as free patients.<sup>12</sup> During the preceding year city, county, and state hospitals provided 119,581 free patients with 2,920,723 days of treatment,<sup>13</sup> while in addition county, city, and town alms houses cared for about 8,100 sick or infirm persons.<sup>14</sup> The 187 dispensaries under supervision of the board recorded in 1915 a total of 4,864,699 treatments, of which 4,651,117 were in New York City.<sup>15</sup> There were also 173,967 visits to homes by doctors and nurses.

Provision of free dispensary service is, of course, not limited to New York state. Of 211 cities in all parts of the country, sixty-six reported a free dispensary service, administered by the health department in twenty-two cases, by the charity department in eighteen, by the city hospital in ten, and by private organizations or other means

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<sup>10</sup> Hospital Saturday and Sunday Association, New York City, *Report for 1915*, p. 26.

<sup>11</sup> *Ibid.*, p. 30.

<sup>12</sup> *Forty-ninth Annual Report of the New York State Board of Charities*, for the year 1915, p. 250.

<sup>13</sup> *Ibid.*, pp. 784, 790, 837, 840.

<sup>14</sup> *Ibid.*, pp. 87, 120.

<sup>15</sup> *Ibid.*, p. 210.

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"There is a great need for a law of this kind. The average wage-earner cannot afford to carry health insurance, and when laid up, is cast on the state institutions for treatment. Ultimately the public pay the bill."—The Insurance Advocate, February, 1916.

in the remaining cities. It was, however, the larger cities in which this service was most frequently found.<sup>16</sup>

Yet even these extensive provisions fall far short of the need. In the Dutchess County study it was found that hospital treatment was secured by only 10 per cent of the total 1,600 patients, whereas investigation showed that 28 per cent of the cases could have been adequately cared for only in a hospital. In other words, three times as many patients needed hospital care as actually received it.<sup>17</sup> According to the United Hospital Fund, in New York,

Beyond question there are large numbers who need hospital treatment but fail to apply because they do not want to become objects of charity. At present only one in ten persons seriously ill or injured in this city now gets treated in any hospital. For lack of proper treatment thousands lose their health and efficiency and become a burden to their friends and the community.

Nor do the dispensaries in New York City with their four and a half million treatments in one year reach all who need medical attention. A careful investigation in 1910<sup>18</sup> showed that notwithstanding that many were unable to employ a private doctor, and that others were unwilling to apply to a hospital (only 9.8 per cent of those ill had hospital treatment), only 32.3 per cent of the 600 sick persons visited on the lower east side had attended a dispensary. Even this attendance was frequently inadequate since 29 per cent of those attending went but once, on account of the crowded conditions, long delays, and often superficial examination. In the middle west side district neglect of the sick was even more common than on the east side. Here but 21 per cent of those ill during the year had ever visited a dispensary, and of these 15 per cent went but once, largely because they considered the treatment inefficient.

<sup>16</sup> Franz Schneider, Jr., *Survey of the Activities of Municipal Health Departments in the United States*, Russell Sage Foundation, Department of Surveys and Exhibits, 1916, p. 14.

<sup>17</sup> State Charities Aid Association, *Sickness in Dutchess County, New York*, 1915, pp. 3, 93.

<sup>18</sup> *Report of the Committee of Inquiry into the Departments of Health, Charities, and Bellevue and Allied Hospitals to the Board of Estimate and Apportionment*, New York City, 1913, pp. 532-534.

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"As a public health measure, this is one of the most important bills which has come before the legislature for many years."—Weekly Bulletin of the Department of Health, New York City, January 29, 1916.



The failure of both voluntary and state charitable efforts to meet the situation is particularly well illustrated by the extension of care for tuberculosis. As the result of widespread popular agitation against this preventable disease in the United States, there has been a phenomenally rapid increase in equipment for its care during the last ten years. Instead of a mere handful of hospitals and dispensaries there are to-day 575 hospitals, sanatoria and day-camps with a total of about 35,000 beds, and 450 special dispensaries.<sup>19</sup> It is doubtful if the increase in facilities for treating any other disease has been as rapid. Nevertheless accommodations are still far from adequate, for applying to the whole country the death-rate in the registration area, which, in view of the greater attention to health matters in that part of the country, is probably relatively low, it is calculated that there were at least 145,000 deaths from tuberculosis in the United States in 1914. In spite of active organization against the disease in the state we read in the *Illinois Health News*, "In the warfare against tuberculosis, Illinois has done comparatively little in the past."<sup>20</sup> In New York City, 37,000 cases of tuberculosis are known to the department of health. Of this number 3,200 are registered under the care of private physicians and 6,000 under the care of city institutions, while it is estimated that 15,000 are treated at clinics. This leaves 12,800 cases, or approximately a third of those known to the board of health, which are not known to be under treatment of any sort.<sup>21</sup> In addition the board estimates that there are 13,000 cases of which it has no record, among which it would seem that a far smaller proportion is likely to be under treatment.

Despite their rapid and widespread development, it is clear that hospitals and dispensaries are unable to cope with the mass of illness

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<sup>19</sup> "The Campaign against Tuberculosis," *Journal American Medical Association*, January 8, 1916, p. 118.

<sup>20</sup> "Health Work in Illinois for 1915," *Illinois Health News*, January, 1916, p. 11.

<sup>21</sup> *Journal American Medical Association*, December 18, 1915, p. 2176.

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"Workmen's compensation is just the beginning of a great movement that will result in the establishment here of sickness insurance of the kind already in existence abroad."—S. S. Goldwater, M. D., Superintendent Mt. Sinai Hospital, New York City.

among men and women. Moreover, these services should not be rendered through a system which tends to pauperizing.

### 3. Obstetrical and Other Home Nursing Care Is Insufficient.

A more recent extension of medical care to those who are unable to provide it for themselves is found in the visiting nurses' service maintained by some boards of health or other organizations. Board of health nursing service is most often concerned with tuberculosis and with infant welfare work. Thus in fifty cities out of 209 in all parts of the country board of health activities included the visit of a nurse or of a medical inspector in all reported cases of tuberculosis. In eighty-nine cities the board either employed visiting nurses or maintained infant welfare stations.<sup>22</sup>

The nursing of the sick undertaken by volunteer nursing organizations is more widespread. A report, now somewhat out of date, states that in New York there were in 1909, 108 organizations with 458 nurses, while throughout the country there were 566 organizations with a total staff of 1,413 nurses.<sup>23</sup> The movement has grown rapidly as shown by recent information which indicates that in the early months of 1916 in New York state alone there were 358 such associations with a staff of 1,365 nurses, while throughout the country there are approximately 2,000 organizations with a staff of more than 5,000 nurses. In New York City alone, the district nursing service of the Henry Street Settlement has a staff of nearly 100 nurses who in 1915 made a quarter of a million visits to 26,575 patients.<sup>24</sup> Nursing care is now also provided by the Metropolitan Life Insurance Company, for its own policy holders, in 1,700 cities and towns in twenty-eight states, the District of Col-

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<sup>22</sup> Franz Schneider, Jr., *Survey of the Activities of Municipal Health Departments in the United States*, pp. 8, 16.

<sup>23</sup> Yssabelle Waters, *Visiting Nursing in the United States*, 1909, pp. 14, 365.

<sup>24</sup> *Visiting Nursing Service Administered by the Henry Street Settlement, New York City*, p. 5.

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"Balancing all objections against sickness insurance over against the good that would come from a thorough system, I find the scale coming down heavily on the side of the latter."—E. P. Lyon, M.D., Dean of the Medical School, University of Minnesota.

umbia, and in the greater part of Canada through 750 nursing centers.<sup>25</sup>

Yet in the Dutchess County survey it was found that of the 1,441 patients ill in their homes 45 per cent received inadequate attention. Aside from physicians' visits, features frequently lacking were suitable nursing care and domestic help during illness.<sup>26</sup> In the words of the report, "There were in most cases no facilities for service to be had, and in other cases there was a lack of proper knowledge as to what service to seek for and how to seek it."<sup>27</sup>

The lack of skilled obstetrical aid for wives of wage-earners is an equally serious omission in medical care. Causes connected with childbirth are responsible for 10,000 deaths of mothers in the registration area annually, many of which could be prevented by proper obstetrical attention. Unfortunately this is not alone a city problem, as is sometimes thought. In Dutchess County records were secured of 126 confinements, of which 10 per cent occurred in hospitals and the remainder at home. Of the 113 at home, 15 per cent were without any medical attendance (eleven being attended by midwives and six by the neighbors and family).<sup>28</sup> In rural districts in Pennsylvania, it is estimated that there are annually 100,000 births in districts in which there are no hospitals and with very few, poorly prepared, underpaid and over-worked doctors available for the service.<sup>29</sup>

The large number of births attended by untrained midwives makes the situation even more serious. According to careful estimates 40 per cent of all the births in this country are attended by midwives.<sup>30</sup>

<sup>25</sup> *The Visiting Nurse Service Conducted by the Metropolitan Life Insurance Co., for the Benefit of Its Industrial Policy Holders*, 1915, p. 5.

<sup>26</sup> New York States Charities Aid Association, *loc. cit.*, pp. 17, 93, 97.

<sup>27</sup> *Ibid.*, p. 18.

<sup>28</sup> *Ibid.*, p. 53.

<sup>29</sup> James P. Warbasse, "The Socialization of Medicine," *Journal American Medical Association*, July 18, 1914.

<sup>30</sup> Grace Abbott, "The Midwife in Chicago," *American Journal of Sociology*, March 1915, p. 684.

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"Health insurance represents a high type of public health measure of the utmost importance. It would provide the machinery for securing data in re morbidity that would serve as the groundwork for the most rational educational developments for the prevention of sickness among our industrial workers. It places a premium upon health."—American Medicine (Burlington, Vt.), March, 1916.

Mid-wives practising in New York state have been found by inspectors of the New York State Department of Health to be of three classes: the competent trained woman, the partially trained mid-wife who has been instructed by a physician or by another mid-wife, and the wholly untrained woman. The latter was "in greatest demand because she was cheap and did not annoy her patients with cleanly precautions."<sup>31</sup> Personal interviews with 500 midwives in New York City in 1906 disclosed the fact that less than 10 per cent could be classed as capable and reliable while the remaining 90 per cent were "hopelessly dirty, ignorant and incompetent."<sup>32</sup> A study of 187 Chicago midwives showed that fifty had not gone beyond the fourth grade in school, and ninety-one had not advanced beyond the eighth.<sup>33</sup>

A forward step has been made in New York and Pennsylvania, where midwives are licensed, registered, and supervised. The system of inspection, however, has revealed that in New York many unlicensed midwives are practising, unknown to the local authorities since they do not report the births attended. In one county where ten midwives were licensed fifteen were found who were unlicensed, the latter group having delivered nearly twice as many women as the licensed midwives. The unlicensed women are frequently found in the most out of the way places in which it would be impossible to secure medical assistance if it were needed.<sup>34</sup> Other rural districts lack even this provision, and mothers are dependent upon the care of neighbors or even of stray passersby.<sup>35</sup> The situation is not im-

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<sup>31</sup> National Committee for the Prevention of Blindness, *First Annual Report*, November 1915, p. 36.

<sup>32</sup> J. Clinton Edgar, *The Education, Licensing and Supervision of the Midwife*, American Association for the Study and Prevention of Infant Mortality, 1915, p. 90.

<sup>33</sup> Grace Abbott, *loc. cit.*, p. 691.

<sup>34</sup> C. Josephine Durkee, "Midwife Inspection in State of New York," *New York State Journal of Medicine*, February 1916, p. 99.

<sup>35</sup> Carolyn Van Blarcom, *The Midwife in England*, 1913, p. 14.

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"All health boards and similar institutions are vitally concerned in this subject of compulsory health insurance. All persons to whom the subject has been broached appear to be of the same opinion that universal insurance against sickness must come."—Ohio Public Health Journal, June, 1916.



proved, certainly, by the general inattention toward the problem. As late as 1913, in thirteen states<sup>36</sup> midwives' practice was unrestricted, while in fourteen states<sup>37</sup> there were no laws relating to their training, registration, or practice. An examination preceding the granting of a state license to practise was required in only twelve states.<sup>38</sup>

#### **4. Facilities for Laboratory Diagnosis and for Consultation between Specialists Are Demanded by the Advances in Modern Medicine.**

The progress of modern medicine has vastly increased the technical and laboratory equipment necessary for the proper diagnosis and treatment of disease, and has made medicine a cooperative profession. The requisite appliances for laboratory, X-ray, and surgical service are beyond the reach of the individual doctor, even if he is practising among the well-to-do.<sup>39</sup>

As a result, says Commissioner Haven Emerson, of the Department of Health, New York City:

No individual physician without unusual resources can command for his patients the service of supporting experts and special data necessary to arrive at a thorough opinion of his patient's condition. . . . The problem is one of detection of as yet unsuspected early indications and susceptibilities, approaching deviation from the normal limits of individual variation, tendencies to degeneration, chronic diseases of nutrition, progressive departure from safety in various functions. To give an opinion takes a much higher grade of diagnostic skill, a greater degree of cooperation among physicians skilled in specialties, than does the practice of medicine

<sup>36</sup> Arizona, Arkansas, Florida, Georgia, Idaho, Kentucky, Maine, Mississippi, New Mexico, South Carolina, Tennessee, Vermont, and West Virginia.

<sup>37</sup> Alabama, California, Delaware, Massachusetts, Michigan, Nebraska, New Hampshire, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Texas, and Virginia.

<sup>38</sup> Connecticut, Illinois, Indiana, Louisiana, Maryland, Minnesota, Missouri, New Jersey, Ohio, Utah, Wisconsin and Wyoming.

<sup>39</sup> Michael M. Davis, Jr., "The Medical Organization of Sickness Insurance," *Medical Record*, January 8, 1916.

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"We believe it is no more than simple justice that men and women who devote their working lives to the telephone service should be assured of some income when they are sick or come to old age. . . . If justice demands this, its cost is a fair charge against the business and so we regard it."—Board of Directors, American Telephone and Telegraph Co.

upon the sick. . . . Cooperation is necessary for efficient service to the public.<sup>40</sup>

Moreover, "the field of medical knowledge and the technique of practice in medicine and surgery," according to Michael M. Davis, Jr., of the Boston Dispensary, "have become far too large and complicated to be mastered by any one man. Specialists in a great variety of medical branches have been created."<sup>41</sup>

The well-equipped hospital and dispensary to-day afford facilities for cooperation in the use of equipment and for consultation among specialists, or "group diagnosis." The latter is also available in practice among the well-to-do. But if the advantage offered by modern medicine are to be brought within reach of all, they must clearly be extended, especially in the smaller cities. For instance, a recent study of health departments in 227 cities showed that it was only the eighteen cities of 300,000 population or over which were in all cases provided with a diagnostic service through the local board of health, while but fifty-one of the 103 cities of 25,000 to 50,000 had a similar service.<sup>42</sup> A further extension will undoubtedly be needed if the facilities for treating disease are to keep pace with the probable advances in medical knowledge itself.

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<sup>40</sup> Haven Emerson, *Weekly Bulletin of the Department of Health, City of New York*, March 25, 1916.

<sup>41</sup> Michael M. Davis, Jr., "The Medical Organization of Sickness Insurance," *Medical Record*, January, 8, 1916.

<sup>42</sup> Franz Schneider, Jr., *loc. cit.*, p. 11.

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"It would seem reasonable to infer that both the medical profession and the people have much to gain and nothing to lose by adopting compulsory sickness insurance."—*Boston Post*, February 13, 1916.

### III. MORE EFFECTIVE METHODS ARE NEEDED FOR MEETING THE WAGE LOSS DUE TO ILLNESS.

"The poor," declares a mid-western social welfare organization, impressed by ill health as a cause of poverty, "are those whom sickness has halted in their daily tasks."<sup>1</sup> Unless some means more effective than any yet in force in this country is devised for protecting the wage-earner against the consequent stoppage of income, illness must be expected to produce in the future as in the past its yearly harvest of destitution and demoralization.

#### 1. The Wage Loss Due to Illness Amounts to Millions of Dollars Annually.

In the Rochester sickness survey it was estimated that at the rate of \$2 a day the annual wage loss in that city from illness is \$1,288,000.<sup>2</sup> In Dutchess County the wage loss during illness and the cost of medical treatment for a period of about sixteen months reached, it was calculated, at least \$412,000.<sup>3</sup> At the rate of \$1.50 for six out of each seven days of disability, the country's wage loss every year from this one cause is, according to the estimate of the American Association for Labor Legislation, more than \$366,000,000.<sup>4</sup> The investigators for the federal Commission on Industrial Relations calculated that the yearly wage loss to 30,000,000 workers throughout the country at \$2 a day is \$500,000,000.

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<sup>1</sup> Social Welfare Association, Grand Rapids, Mich., *Poverty: A Preventable Social Waste*, 1914, p. 5.

<sup>2</sup> Lee K. Frankel, "Community Sickness Survey," p. 435.

<sup>3</sup> State Charities Aid Association, *loc. cit.*, p. 3.

<sup>4</sup> American Association for Labor Legislation, "Memorial on Occupational Diseases," *American Labor Legislation Review*, January 1911, p. 127.

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"Resolved, That the Social Welfare Conference of Buffalo, representing forty-three charitable institutions, favors the passage of the health insurance law. It believes that this law would lessen the amount of disease which is one of the chief causes of poverty, and would also help in creating better health conditions."—Social Welfare Conference of Buffalo, N. Y., February 12, 1916.

WAGES OF INDUSTRIAL WORKERS  
IN REPRESENTATIVE STATES<sup>1</sup>

| STATE              | Average Yearly<br>Income of Wage-<br>Earners in<br>Manufactures <sup>2</sup> |                            | Number and Per Cent of Industrial Workers<br>Receiving Given Wages <sup>3</sup> |         |                      |       |                                      |         |                      |       |
|--------------------|--|----------------------------|---|---------|----------------------|-------|--------------------------------------|---------|----------------------|-------|
|                    | Av. No.<br>Wage-<br>Earners in<br>State                                      | Av.<br>Wage<br>per<br>Year | No. Receiving \$10<br>a Week or Less  |         | Per Cent of<br>Total |       | No. Receiving \$15<br>a week or less |         | Per Cent of<br>Total |       |
|                    |  |                            | Men   | Women   | Men                  | Women | Men                                  | Women   | Men                  | Women |
| New Jersey         | 326,223  | \$520                      | 123,599<br>(Week of<br>maximum<br>employ-<br>ment)                              | 85,235  | 46.8                 | 91.0  | 231,036                              | 93,215  | 87.4                 | 99.6  |
| New York           | 1,003,981  | 555                        | 134,001   | 95,281  | 42.1                 | 88.2  | 240,850                              | 106,188 | 75.6                 | 98.3  |
| Massachu-<br>setts | 584,559  | 515                        | 159,132<br>(18 yrs<br>and<br>over)  | 152,977 | 35.6                 | 80.6  | 323,460                              | 184,979 | 72.4                 | 97.5  |
| Kansas             | 44,215   | 585                        | 20,694<br>(Week of<br>maximum<br>employ-<br>ment)                               | 3,084   | 36.9                 | 93.1  | 47,097                               | 3,301   | 84.0                 | 99.7  |
| Iowa               | 61,635   | 527                        | 12,313<br>(Week of<br>maximum<br>employ-<br>ment)                               | 8,670   | 25.3                 | 92.0  | 42,439                               | 9,380   | 87.1                 | 99.6  |
| Ohio               | 446,934  | 548                        | 66,553<br>(18 yrs<br>and<br>over,<br>week of<br>maximum<br>employ-<br>ment)     | 79,276  | 11.6                 | 82.4  | 325,273                              | 94,192  | 56.7                 | 97.9  |

<sup>1</sup> Data for workers 16 or over, unless otherwise stated.

<sup>2</sup> Thirteenth Census of the United States, 1910, Vol. IX, Manufactures.

<sup>3</sup> New Jersey Statistics of Manufactures, 1913, pp. 25, 26; New York Census of Manufactures for 1904, State Department of Labor *Bulletin No. 37*, 1904, p. 199; Massachusetts Statistics of Manufactures, 1913, p. XXXII; Kansas Department of Labor and Industries, *Report for 1914*, p. 29; Iowa Bureau of Labor Statistics, *16th Biennial Report*, 1913, p. 25; Ohio Industrial Commission, *Bulletin*, Vol. II, No. 4, Sept. 15, 1915, pp. 26-27.



## 2. Savings of Wage-Earners Are Insufficient to Meet This Loss.

Low wages, barely sufficient to supply the necessities of daily life, are inadequate to meet the wage loss due to illness. The rate of wages paid to the workers in industrial establishments is seen in the table on the opposite page which gives both the average annual income in representative industrial states, and the distribution of workers in those states by weekly wage groups. From evidence such as this Dr. B. S. Warren and Edgar Sydenstricker of the United States Public Health Service conclude:

Without taking into consideration the loss of working time for any cause, it has been found that during recent years in the principal industries of the United States between one-quarter and one-third of the male workers approximately eighteen years of age and over earned less than \$10 a week, from two-thirds to three-fourths earned less than \$15 a week, and only about one-tenth earned more than \$20 a week. In textile manufacturing and some other industries the wage level was much lower. . . . It appears that in the principal industries fully one-fourth of adult male workers who are heads of families earned less than \$400; one-half earned less than \$600, four-fifths earned less than \$800. . . . Statistics of total incomes of wage workers' families point to the conclusion that the average total annual family income in the principal manufacturing and mining industries has been between \$700 and \$800, in recent years. . . . The conclusion is also indicated that one in every ten or twelve workingmen's families had at the time of the investigations an annual income of less than \$300 a year; that nearly a third had incomes of less than \$500, and over one-half had incomes of less than \$750 a year.<sup>5</sup>

Obviously such wages will not permit sufficient savings to live on during prolonged periods of illness. Of 25,440 families whose budgets were studied by the United States Bureau of Labor, 50 per cent reported an average surplus of \$120; 16 per cent reported an average deficit of \$65; while the remaining 34 per cent reported neither a

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<sup>5</sup> B. S. Warren and Edgar Sydenstricker, *loc. cit.*, pp. 33-34.

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"Sickness, like a two-edged sword, cuts both ways. It costs the worker his chance to earn wages. On the other hand doctors' bills pile up against him when he is down and helpless . . . The proposed system is intended to save the worker from the evil consequences that often come to him who fails to call a physician because he feels he can not afford to pay for a doctor's or surgeon's services."—Elizabeth (N. J.) Journal, May 1, 1916.

surplus nor a deficit.<sup>6</sup> The accumulations of 667 women in New York City department stores were reported to the New York Factory Investigating Commission. Of this number but 145, or less than one-fourth, had been able to lay by for the future. "On a weekly wage of less than \$8," states Frank H. Streightoff, "it seems practically impossible to save in New York City; scarcely more than one-eighth in any earnings group below this sum succeeded in saving."<sup>7</sup> In a study undertaken for the Russell Sage Foundation it was found that savings existed in but 15 per cent of families with an income of \$600; in 20 per cent of the \$700 families; in 38 per cent of the \$800-\$900 families; in 23 per cent of the \$900 group; and in 45 per cent of the \$1,000 class. Nearly one-half of the cases of borrowing reported occurred in the \$600 income group, and one-fourth occurred in the \$700 division.<sup>8</sup>

But individual savings, even if wages were high enough to permit of a generous margin, do not fully meet the requirements of all situations. The uncertainty as to when sickness may overtake any one person, or as to how long it may last, makes it difficult for an individual to protect himself completely through this single-handed method. For this catastrophe, unpredictable to the individual, insurance constitutes the only effective provision. The uncertainty disappears in large groups among whom a definite percentage may be expected to be ill each year. A fund accumulated by a group with such knowledge will be able to meet fully the cost of each case of sickness and will simultaneously distribute the cost throughout the group.

In the absence of either savings or insurance, many who should be at home or in a hospital receiving medical care are forced to

<sup>6</sup> *Eighteenth Annual Report of the United States Commissioner of Labor*, 1903, "Cost of Living and Retail Prices of Food," pp. 366, 367.

<sup>7</sup> Frank H. Streightoff, "Report on the Cost of Living," *Fourth Report of the New York Factory Investigating Commission*, 1915, Vol. IV, p. 1574.

<sup>8</sup> Robert C. Chapin, *The Standard of Living in New York City*, 1909, pp. 233-243.

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"Very little poverty comes from the 'vices' of which we used to prate in our charity organization conventions. It is the man who gets sick, lies ill in a hospital, sees his savings go and knows that his family at home needs food, who feeds the ranks of poverty and inefficiency."—Lee K. Frankel, Sixth Vice-President, Metropolitan Life Insurance Company.

continue their daily grind. An official report, for instance, presents the case of Miss B., who "is very little and thin, pinched looking and extremely nervous. She has been ill several times but has kept on working. 'You see,' she said, 'I have no one to fall back upon and even if I feel sick I can't be sick. I have to keep going for there is no one to help me.'"<sup>9</sup>

Others seek to make good the loss by taking in lodgers, by sending the children to work, or by lowering their standard of living in other ways. Many apply for charity. Says the same report, speaking of one working woman's experience, "practically every week, in her factory, there is either a collection or a raffle for the benefit of some worker who is sick, who has no resources, and who, therefore, is an object of the charity of her fellow employees. This custom is really of considerable significance as an indication of how few are able to accumulate for times of emergency."<sup>10</sup> It is also significant as showing the tendency of workers voluntarily to protect themselves by insurance, even though the type of insurance chosen be a crude one.

A federal study of 31,481 charity cases among both immigrants and native born in forty-three cities showed that illness of breadwinner or other members of the family was "the apparent cause of need"<sup>11</sup> in 38.3 per cent of the cases, while accidents were a factor in but 3.8 per cent of the total applications for aid. (See diagram on opposite page.) At the New York legislative hearing on the health insurance bill in 1916 it was shown that 37 per cent of the families assisted by the New York City Charity Organization Society are dependent because their wage-earners are disabled by sickness, while two-thirds to four-fifths of the expenditure of the New York Association for Improving the Condition of the Poor is for relief

<sup>9</sup> Esther Packard, "Living on Six Dollars a Week," *Fourth Report of the New York State Factory Investigating Commission*, 1915, p. 1690.

<sup>10</sup> Frank H. Streightoff, *loc. cit.*, p. 1576.

<sup>11</sup> *Report of the Immigration Commission*, 1909, Senate Document 665, 61st Congress, 3rd session, Vol. 34, p. 333.

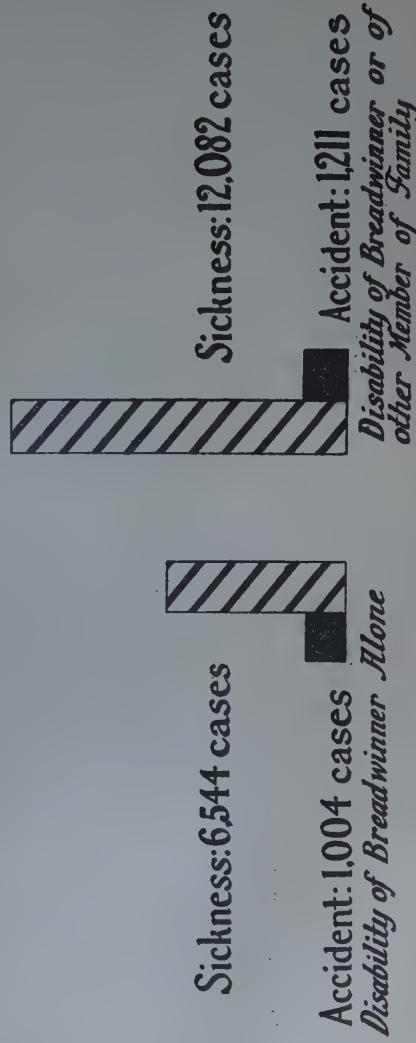
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"Experience under workmen's compensation for industrial accidents indicates the need of some system of insurance protecting workmen during periods of incapacity due to sickness."—John Mitchell, former President, United Mine Workers of America; Chairman, New York State Industrial Commission.

# ACCIDENT AND SICKNESS AS FACTORS IN PRODUCING DEPENDENCY

*Adapted from a study of 31,481 Charity Cases by the United States Immigration Commission, 1909*

Sickness was a factor in 12,082 cases, or 38.3% of the total number  
Accident was a factor in 1,211 cases, or 3.8% of the total number



Sickness is a factor in 6 1/2 times as much dependency as is industrial accident. The State requires insurance against industrial accident but not yet against sickness, a more urgent need.



necessary because of illness. In Buffalo, N. Y., it has been the experience of the Charity Organization Society "that sickness is more serious in our work for the poor than anything else. It far exceeds unemployment as a cause of poverty. Last winter, for instance, when the industrial depression was so huge, we paid out \$13,646 on account of unemployment, and \$29,275, or more than twice as much, to families in which there had been sickness during the year."<sup>12</sup>

America evidently presents no exception to the finding of Mr. and Mrs. Sidney Webb, that "In all countries, at all ages, it is sickness to which the greatest bulk of destitution is immediately due."<sup>13</sup>

### 3. Existing Systems for Insuring against the Wage Loss Are Not Fulfilling Requirements.

As opposed to direct saving, efforts have been made to meet the wage loss of illness through various forms of insurance. This method has the marked advantage, as employers and workmen have seen, that a small payment by each man in a group will provide for those affected by the catastrophe more effectively than savings by each individual, at a smaller per capita expenditure. The frequency with which sickness visits the home makes it necessary to make systematic provision for this almost certain financial loss. In the words of Haven Emerson, Commissioner of the New York City Department of Health:

It is important to emphasize the advantages that may be expected from the supplying of funds to a family during illness. The continuance of nutrition is the most fundamental thing we must provide for. A tree will reveal in its rings of growth the lean and the fat years. So will the children of a community. Last year was a very lean year among the poor of New York, and we got a very large percentage of diseases among children, a great many respiratory diseases. These children were being starved

<sup>12</sup> Frederick Almy, in *Buffalo Times*, January 31, 1916.

<sup>13</sup> Sidney and Beatrice Webb, *The Prevention of Destitution*, 1911, p. 15.

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"Your committee believes that the voluntary method of treating sickness insurance in industry is the higher and better method; but against this belief we know that there are employers who would not comply with the voluntary plan and provide for sick benefits to their incapacitated employees."—Committee on Industrial Betterment, National Association of Manufacturers.

into sickness. If one can assure the children, as they are growing up, continuous nutrition, we are going to go far toward health.<sup>14</sup>

A number of methods of providing insurance against illness—such as establishment funds, commercial health insurance, fraternal insurance, and trade union benefit funds—have been tried in this country, with uniformly unsatisfactory results as far as the mass of wage-earners is concerned.

The term "establishment fund" is commonly used in the United States to denote a benefit fund limited to the employees of a single industrial establishment or organization. As with other voluntary forms of health insurance in this country, the exact development which these funds have reached to-day is not precisely known. But that they are the exception rather than the rule among even important manufacturing plants such as are members of the National Association of Manufacturers is shown by the response to a recent questionnaire sent out by that organization. Out of 564 manufacturers sufficiently interested in sickness insurance to reply, only 144, or 25 per cent, had mutual benefit funds or other provision for sickness.<sup>15</sup> A similar inquiry by a manufacturer in 1913 brought out like results. Out of 500 prominent manufacturing establishments addressed, about 200 did not reply at all and only 110 of the remainder had such funds.<sup>16</sup> They are most common among railroad and mining employees, because of the hazardous nature of both occupations and the isolation of many mining communities, which renders combined action imperative if any medical care is to be secured.

The opportunity for workers to insure themselves against sickness by commercial health insurance on the industrial plan which is now available has yielded no better results. All available evidence goes to show that industrial health insurance is limited in extent and is

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<sup>14</sup> Haven Emerson, *American Labor Legislation Review*, March 1916, p. 27.

<sup>15</sup> National Association of Manufacturers, *Report of Industrial Betterment Committee*, May 1916, p. 11.

<sup>16</sup> W. L. Chandler, "Sickness Benefit Funds among Industrial Workers," *American Labor Legislation Review*, March 1914, p. 73.

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"Compulsory workmen's insurance has raised the working classes in Germany in respect to health, economy and standing in the community, and it is clear that, with their aid only, Germany has maintained her position in the markets of the world."—Bulletin of the American Chamber of Commerce in Berlin, December, 1915.

developing very slowly. In New York in 1914 four insurance companies received \$29,223,400.11 premiums for industrial life insurance,<sup>17</sup> whereas the total premiums paid commercial companies for all forms of health insurance in the same state and year were only \$1,379,915.<sup>18</sup> The larger part of even this comparatively small sum undoubtedly came from the business and professional, not from the wage-earning classes, since the more common forms of this insurance have relatively high premiums, payable annually or quarterly, which are entirely unsuited to the needs of wage-workers. In 1911 an authoritative estimate of the relative extent of industrial health insurance, which is based on small weekly or monthly premiums, placed it at not more than 20 per cent of the total.<sup>19</sup> Among the so-called "mutual sick benefit associations," the relative number of workingmen is perhaps larger, but in the whole United States in 1914 these companies had a total income of but \$7,246,069<sup>20</sup> and according to the probably inaccurate figures available, a total membership of only slightly over 1,000,000.<sup>20</sup> Moreover, though they had on the whole made considerable gains since 1901, the earliest year for which figures are at hand, their growth was subject to decided fluctuations. Membership numbered some 842,000 in 1909 but fell off for the next three years until it reached 796,000 in 1912; it rose again to 1,563,000 in 1913, but had once more declined to 1,072,000 in 1914.

According to Mr. R. P. Shorts, President of the Convention of Health and Accident Underwriters, the organization covering the commercial health and accident field, there are to-day throughout the country about 180 insurance corporations, associations, and fraternal societies which have some hundreds of thousands of industrial accident and health insurance policies in force. The business which it

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<sup>17</sup> *Report of the New York Superintendent of Insurance*, 1915, Part II, p. xlv.

<sup>18</sup> *Insurance Year Book*, 1915, p. A-319.

<sup>19</sup> I. M. Rubinow, *Social Insurance*, 1913, p. 296.

<sup>20</sup> *Insurance Year Book*, 1915, p. A-388.

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"It is a long deferred essential to our economic welfare. To wage earners health insurance is next in importance to compensation for industrial accidents. Both should be provided."—James Duncan, President, Granite Cutters' International Association of America; First Vice-President, American Federation of Labor.

has taken twenty-five years to develop and which it should be noted includes fraternal societies as well as commercial companies makes but a poor showing beside the 5,931,000 industrial life policies furnished the residents of the one state of New York alone by four companies,<sup>21</sup> and is insignificant in comparison with the more than 31,000,000 industrial life policies outstanding in the United States in 1914.<sup>22</sup>

Moreover there are indications that even the limited membership of industrial health insurance enterprises is not held permanently, but that the lapse rate is very high. Among the mutual sick benefit associations just mentioned the number of certificates issued in any one year is almost as large as the number in force at the end of that year.<sup>23</sup> In 1901 the number of new certificates was even considerably greater than the number in force at the end of the year; in 1914 it was about nine-tenths as great. Although similar figures for the other sorts of commercial health insurance are not at hand, there is every reason to believe that the high lapse rate found in industrial life insurance is repeated in industrial health insurance.<sup>24</sup>

<sup>21</sup> *Report of the New York Superintendent of Insurance*, 1915, Part II, p. xliv.

<sup>22</sup> *Insurance Year Book*, 1915, p. 235.

<sup>23</sup> *Statistics of Mutual Sick Benefit Associations*. (*Insurance Year Book*, 1915, p. A-388.)

| Year | No. of Companies | No. of Certificates Written During Year. | No. of Certificates in Force at End of Year |
|------|------------------|--|---|
| 1901 | 58               | 207,044                                  | 153,907                                     |
| 1906 | 102              | 430,197                                  | 584,038                                     |
| 1911 | 88               | 735,426                                  | 893,015                                     |
| 1914 | 122              | 935,230                                  | 1,072,664                                   |

<sup>24</sup> One of the largest of the industrial insurance companies testified before the Armstrong investigating committee in 1906 that one-third of the policies did not survive three months, that one-half are cancelled within a year and that nearly two-thirds lapsed within five years. (*Report of the Joint Committee of the Senate and Assembly of the State of New York to Investigate and Examine into the Business and Affairs of Life Insurance*, New York, 1906, Vol. VII, pp. 234, 235.)

"Illness as well as injury occasion a large economic waste to the company as well as to the employees on account of lost time, idle machinery, and ineffective work. It is to the direct interest of the company as well as to the individual to bring about a reestablishment of health, and consequently efficiency, by supplying the best conditions possible for recovery."—Howell Cheney, Cheney, Brothers, Silk Mills.



A large amount of insurance is provided by so-called fraternal societies which combine, with certain social features and a semi-secret ritual, insurance on the mutual plan, generally by means of assessments. However, only a small fraction of this insurance covers sickness or temporary disability. On January 1, 1915, there were in the United States 179 fraternal associations with 7,700,000 "benefit members."<sup>25</sup> During 1914 the benefits of all kinds, including death, sickness, and old age, paid by these societies, totaled about \$97,000,000.<sup>26</sup> Only thirty national organizations, having some 820,000 members, not all of whom carried health insurance, paid benefits for sickness in 1914 and this minority disbursed but \$1,100,000, about 1 per cent of the whole fraternal insurance business for both sickness and accident claims. Over half of this amount was paid out by three societies.<sup>27</sup> It is true that many individual lodges of some large fraternal orders also pay benefits for sickness, but unfortunately no figures on the amount of these benefits or the members thus protected are available. Nor in comparison with other forms of fraternal insurance is there any tendency apparent toward an increase in health insurance among fraternal societies. In 1909, similar statistics show that 177 American fraternal societies with 6,400,000<sup>28</sup> "benefit members" paid out \$77,000,000<sup>29</sup> for all kinds of benefits. Thirty-eight of these societies with 799,000 "benefit members" spent \$856,000 for sickness and accident claims, which was 1.1 per cent of the total expenditure for benefits by all societies.<sup>30</sup> In addition certain secret orders, like the Masons and Odd Fellows, help their members during sickness but do not make insurance a feature.

The fourth method of voluntary health insurance which has de-

<sup>25</sup> *Statistics of Fraternal Societies*, 1915, pp. 197-199.

<sup>26</sup> *Ibid.* p. 205.

<sup>27</sup> *Fraternal Monitor Consolidated Chart*, 1915, pp. 3-31, 91.

<sup>28</sup> *Statistics of Fraternal Societies*, 1910, pp. 199-201.

<sup>29</sup> *Ibid.*, p. 207.

<sup>30</sup> *Consolidated Chart*, 1910, p. 3-33.

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"I believe that public opinion is rapidly crystallizing in favor of both state and federal legislation, favorable to the enactment of laws devising a system of insurance against industrial diseases and I firmly believe that when this movement gets fairly started it will develop just as fast as the movement did for workmen's compensation for industrial accidents."—John Golden, General President, United Textile Workers of America.

veloped in America, namely, trade union benefit funds, is also very limited in extent. Of approximately 30,000,000 wage-earners in the country, not more than one-tenth are members of labor unions of any sort. Moreover, not all members of trade unions are covered by union sick benefit funds. During the year 1914-1915 twenty-nine international unions affiliated with the American Federation of Labor paid out \$971,271.75 in sick benefits,<sup>81</sup> but the membership of these internationals comprises about 548,000, or not much more than a quarter of the entire membership of the federation. Similar relief was paid by some of the local unions in other trades.

In view of these facts, it is obvious that in America voluntary methods of insurance against the wage loss due to sickness are not adequately fulfilling requirements, and that the great majority of American industrial workers are to-day unprotected by health insurance. Moreover, the lowest paid workers who most need insurance are least likely to be protected. Whether voluntary insurance can reasonably be expected to develop in the future to meet the needs will be discussed in a later section.

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<sup>81</sup> American Federation of Labor, *Proceedings of the Thirty-fifth Annual Convention*, 1915, p. 30.

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"The burden of sickness now borne entirely by the workman, it is estimated, is responsible for fully one-third of the poverty of this country."—Dr. Henry J. Harris, Chief of Documents, Congressional Library.

#### **IV. ADDITIONAL EFFORTS TO PREVENT SICKNESS ARE NECESSARY.**

Important as are measures for the more adequate medical care and financial protection of sick wage-earners, all such measures remain incomplete and wasteful unless accompanied by energetic efforts for the prevention of sickness. Said an expert committee in 1911:

"It is a generally accepted principle of modern sanitary science, that a large amount of sickness in industry or otherwise is preventable, and that the average duration of life can be materially prolonged by deliberate and rational methods of personal, social, and industrial hygiene."<sup>1</sup> After careful computation this same committee framed the conservative estimate that the number of days of sickness per annum (more than 284,000,000 in all) could, by deliberate efforts, be diminished by 25 per cent, or 71,000,000, and that the resulting total economic gain to the nation might be estimated at not less than \$193,000,000 per annum.

##### **1. The Method of Factory Legislation and Inspection Has Proven Insufficient to Secure Hygienic Conditions of Work.**

For nearly four decades American states have been attempting to secure healthful conditions of work through the method of factory legislation and inspection, with only partial success. Much of the legislation was unscientific and riddled with loopholes. Much was rendered ineffective by perfunctory or incapable inspectors. Even when inspectors inspected thoroughly and entered prosecution for violation of the statutes, they often met with small encouragement from the courts. According to a federal investigator, "A study of the annual reports of the chief factory inspector [in New York]

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<sup>1</sup> American Association for Labor Legislation, "Memorial on Occupational Diseases," *American Labor Legislation Review*, January 1911, p. 126.

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"Under the proposed measure it will be to the interest of both employer and the employed to ward off disease by preventive measures. They will save money by preventing illness as much as possible."—Ithaca (N. Y.) Globe, February 15, 1916.

for a number of years shows many instances in which the courts failed to support the inspectors. Thus in the report for 1907 it is shown that in about one-half of the cases in which inspectors had secured convictions the court remitted the fine, thus letting the offender off without punishment. In most of the other cases only the minimum fine was imposed."<sup>2</sup>

Under such conditions laws for factory hygiene are likely to become dead letters. Many states require the more or less thorough removal of "gases, vapors, dusts, or other impurities injurious to health" which are generated in industrial processes. Yet in one of these states, Massachusetts, in twenty-four out of thirty-three establishments investigated where "injurious or irritating dust or fumes" were noticeable in workrooms no removal devices were installed; in New Jersey ten out of thirteen similarly dangerous establishments were found unprotected; in Illinois, twenty-three out of thirty-one.<sup>3</sup> In view of these findings the conclusion in 1912 of the New York Factory Investigating Commission, "that the present system of factory inspection is totally inadequate,"<sup>4</sup> is not surprising.

One main trouble with the system, however, is that it does not enlist the interested cooperation of either the employer or the employee. As with accident prevention before the days of workmen's compensation, the industrial sanitation statutes look well on the books, but exert little influence on actual factory conditions. No considerable progress can be hoped for until a method is devised which will directly stimulate both workman and employer to reduce the risk of occupational illness to the minimum.

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<sup>2</sup> Hugh S. Hanna, "Labor Laws and Factory Conditions," *Report on the Condition of Woman and Child Wage-Earners in the United States*, Senate Document 645, 61st Congress, 2nd Session, Vol. XIX, p. 44.

<sup>3</sup> *Ibid.*, pp. 451, 467, 476.

<sup>4</sup> *Preliminary Report of the New York State Factory Investigating Commission*, 1912, Vol. I, p. 66.

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"Self interest is probably the strongest motive with man, and if it can be harnessed into activity against industrial diseases, there doesn't seem to me to be any doubt that it would be a very powerful factor in the prevention or control of such diseases."—Andrew Furuseth, President, International Seamen's Union of America.



## 2. Infectious Diseases Are Not Being Thoroughly Prevented.

Tuberculosis in its various forms cost more than 96,000 lives in 1914 in the registration area, which contains about two-thirds of the country's population. This one preventable disease, according to estimates made for the National Conservation Commission in 1909, annually affects 500,000 individuals;<sup>5</sup> while Frederick L. Hoffman somewhat later placed the cases of pulmonary tuberculosis among wage-earners at 752,000.<sup>6</sup> Of the deaths from tuberculosis, it was estimated for the Conservation Commission that 75 per cent are postponable and in that sense may be considered "preventable."<sup>7</sup>

Typhoid fever in 1914 was responsible for 10,000 deaths in the registration area, and for every death there are, according to the Conservation Commission's report, eight cases of illness, averaging seventy-five days of incapacity each.<sup>8</sup> But this is not the only loss. Professor Sedgwick has said, "Hazen's theorem asserts that for every death from typhoid fever avoided by the purification of a polluted public water supply two or three deaths are avoided from other causes . . . conspicuous among these are pneumonia, pulmonary tuberculosis, bronchitis, and infant mortality." Of these typhoid deaths 85 per cent were considered "preventable" in 1909.<sup>5</sup> Each year, also, "there are probably 3,000,000 cases of malaria in the United States, most of which are in the South. This is practically all preventable." "As it is a preventable disease, its continued prevalence is a reproach to the people, and its eradication would be a good money investment," says the Journal of the American Medical Association.<sup>8</sup> Hookworm, another preventable disease, "extends over the whole South, and is responsible for a large part both of the sickness (the so-called 'laziness') and of the poverty of the 'white trash.' . . . Most striking is the fact that the disease is easily preventable through the introduc-

<sup>5</sup> National Conservation Commission, *Report on National Vitality; Its Wastes and Conservation*, prepared by Irving Fisher, 1909, pp. 34, 35, 105.

<sup>6</sup> Frederick Hoffman, "Care of Tuberculous Wage-Earners in Germany," United States Bureau of Labor Statistics, *Bulletin No. 101*, p. 19.

<sup>7</sup> National Conservation Commission, *loc. cit.*, p. 35.

<sup>8</sup> *Journal American Medical Association*, February 5, 1916.

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"The total gain to the whole community from getting effective medical care to the whole population before diseases take root, before infections spread, would be immeasurable."—Prescott (Ariz.) Miner, February 22, 1916.

tion of sanitary measures as well as curable by the proper (drug) treatment of the present victims. It has been practically eradicated from Porto Rico."<sup>9</sup>

The four contagious diseases of measles, scarlet fever, whooping cough, "diphtheria and croup," caused a loss of 27,000 lives during 1914 in the registration area alone. The failure to make more rapid headway against these diseases may be due in part to failure to register and thus properly to control the cases, and so to prevent further infection. For instance, in the survey of sickness in Dutchess County, N. Y., previously cited, 176 cases of measles were found, of which only seventy-six had been quarantined.<sup>10</sup> "Although most states have laws or regulations requiring the reporting of cases of certain diseases," say the United States *Public Health Reports*, "it is not believed that at present any state is enforcing its requirement."<sup>11</sup>

### 3. Deaths from Degenerative Diseases Are Rapidly Increasing.

One of the alarming situations presented by the United States mortality statistics is that degenerative diseases of middle life are not decreasing, but are even rapidly increasing. "Whereas the expectation of life at birth is now about ten years greater than it was thirty years ago," states Charles F. Bolduan of the New York City Board of Health referring to figures for that city, "the adult of 40 years or over actually has a shorter expectation of life than formerly, the decrease amounting to a year or more according to the age period."<sup>12</sup> Other investigators have reached the same

<sup>9</sup> National Conservation Commission, *loc. cit.*, p. 35.

<sup>10</sup> State Charities Aid Association, *loc. cit.*, p. 4.

<sup>11</sup> United States *Public Health Reports*, June 16, 1916, p. 1524.

<sup>12</sup> Charles F. Bolduan, "Chronic Diseases of the Heart, Kidneys, and Arteries from the Standpoint of Etiology, Prevalence, Mortality, and Prevention," *Monthly Bulletin of the Department of Health, City of New York*, April, 1916, pp. 91-92.

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"Health insurance will give the American business man a direct, pecuniary interest in combating tendencies toward disease in the general population. There is no more efficient organizer in the world than the American business man. If once it is proved to him that he is justified in turning his talents to the solution of problems of public health, we may expect rapid progress toward the removal of conditions destructive of the stamina of the people."—New Republic, March 25, 1916.

conclusion. For instance, Professor Irving Fisher says, "Here [*i.e.* in Massachusetts] where the death rates for all age periods under forty have materially decreased, the later periods of life have suffered progressively in mortality rate." A comparison of the Massachusetts life tables for 1877-1882 with those of 1910 shows that while the expectation of life is now greater for males under twenty-five and for females under thirty-five than it was at the earlier date, for those over the given ages it has decreased from half a year to more than two years. The following table presents the comparison in detail:

EXPECTATION OF LIFE IN MASSACHUSETTS, 1877-1910  
(White and Colored)

| AGES | MALES                  |                        |                   |  | FEMALES                |                        |                   |  |
|------|------------------------|------------------------|-------------------|--|------------------------|------------------------|-------------------|--|
|      | 1877-1882 <sup>1</sup> | 1883-1897 <sup>2</sup> | 1910 <sup>3</sup> | Increase or Decrease in Expectation of Life, 1877-1910 | 1877-1882 <sup>1</sup> | 1883-1897 <sup>2</sup> | 1910 <sup>3</sup> | Increase or Decrease in Expectation of Life, 1877-1910 |
| 0    | 41.74                  | 44.09                  | 49.33             | +7.59  | 43.50                  | 46.61                  | 53.06             | +9.56  |
| 1    | 49.84                  | 52.18                  | 56.12             | +6.28  | 50.24                  | 53.58                  | 58.79             | +8.55  |
| 2    | 52.17                  | 53.46                  | 56.75             | +4.58  | 52.35                  | 54.79                  | 59.31             | +6.96  |
| 3    | 52.76                  | 53.54                  | 56.43             | +3.67  | 52.89                  | 54.83                  | 58.95             | +6.06  |
| 4    | 52.93                  | 53.30                  | 55.90             | +2.97  | 53.00                  | 54.62                  | 58.34             | +5.34  |
| 5    | 52.78                  | 52.88                  | 55.20             | +2.42  | 52.88                  | 54.17                  | 57.65             | +4.77  |
| 10   | 49.92                  | 49.33                  | 51.14             | +1.22  | 50.04                  | 50.70                  | 53.56             | +3.52  |
| 15   | 45.86                  | 45.07                  | 46.71             | +0.85  | 46.08                  | 46.53                  | 49.11             | +3.03  |
| 20   | 42.17                  | 41.20                  | 42.48             | +0.31  | 42.78                  | 42.79                  | 44.85             | +2.07  |
| 25   | 39.04                  | 37.68                  | 38.51             | -0.53  | 39.78                  | 39.29                  | 40.77             | +0.99  |
| 30   | 35.68                  | 34.28                  | 34.55             | -1.13  | 36.70                  | 35.85                  | 36.78             | +0.08  |
| 35   | 32.32                  | 30.87                  | 30.72             | -1.60  | 33.63                  | 32.43                  | 32.90             | -0.73  |
| 40   | 28.86                  | 27.41                  | 26.97             | -1.89  | 30.29                  | 29.00                  | 29.04             | -1.25  |
| 45   | 25.41                  | 23.93                  | 23.34             | -2.07  | 26.95                  | 25.54                  | 25.25             | -1.70  |
| 50   | 22.02                  | 20.53                  | 19.79             | -2.23  | 28.50                  | 22.10                  | 21.55             | -1.95  |
| 55   | 18.63                  | 17.33                  | 16.45             | -2.18  | 20.05                  | 18.81                  | 17.99             | -2.06  |
| 60   | 15.60                  | 14.38                  | 13.42             | -2.18  | 16.91                  | 15.74                  | 14.79             | -2.12  |
| 65   | 12.57                  | 11.70                  | 10.81             | -1.76  | 13.77                  | 12.90                  | 11.94             | -1.83  |
| 70   | 10.32                  | 9.34                   | 8.58              | -1.74  | 11.30                  | 10.36                  | 9.49              | -1.81  |
| 75   | 8.08                   | 7.37                   | 6.65              | -1.43  | 8.83                   | 8.29                   | 7.30              | -1.53  |
| 80   | 6.86                   | 5.70                   | 5.07              | -1.79  | 7.37                   | 6.56                   | 5.49              | -1.88  |
| 85   | 5.63                   | 4.31                   | 3.88              | -1.75  | 5.91                   | 5.07                   | 4.17              | -1.74  |

<sup>1</sup> U. S. Census, 1880, Vol. XII, Part II, "Mortality and Vital Statistics," p. 775.

<sup>2</sup> Massachusetts State Board of Health, *Report No. 30*, 1898, pp. 822-825.

<sup>3</sup> U. S. Bureau of the Census, *United States Life Tables*, 1910, pp. 50-53.

"In my judgment the time is not far distant when a system of health insurance will be devised by the legislatures of the various states and by the federal government which will meet the needs of our present social life."—John Mitchell, former President, United Mine Workers of America; Chairman, New York State Industrial Commission.

Summing up the matter for the country at large, Frederick L. Hoffman says:

There is, of course, no question whatever that the American death rate, using the term in a very comprehensive sense, has substantially declined within the last fifty years, but it is equally evident that this decline has been at the youngest ages, and not during the period of life which, economically, is of the greatest value. There is no doubt that the mortality of adult ages is still decidedly excessive.<sup>13</sup>

"In seeking to penetrate further into the reason for the increased mortality in the higher-age groups," says Dr. Bolduan, "Guilfooy in 1908 undertook a detailed analysis by age groups and disease, using as a basis a comparison of the New York City statistics for 1868 and 1907. His work left no doubt that the increased mortality was due principally to diseases of the heart, arteries, and kidneys, and to cancer. Exactly similar results were reported by Dublin in a paper presented before the American Public Health Association in 1913."<sup>14</sup> Following is Dublin's table:

DEATH RATE PER 100,000 POPULATION FOR CERTAIN CAUSES OF DEATH,  
MALE AND FEMALE COMBINED.

(Registration States as Constituted in 1900.)

| Cause of Death                        | 1900  | 1910  | Per cent Increase |
|---------------------------------------|-------|-------|-------------------|
| Cancer—all forms .....                | 63.5  | 82.9  | 30.6              |
| Diabetes .....                        | 11.0  | 17.6  | 60.0              |
| Cerebral hemorrhage and apoplexy .... | 72.5  | 86.1  | 18.8              |
| Organic diseases of heart .....       | 116.0 | 161.6 | 39.3              |
| Diseases of arteries .....            | 5.2   | 25.8  | 396.2             |
| Cirrhosis of liver .....              | 12.6  | 14.4  | 14.3              |
| Bright's disease .....                | 81.0  | 95.7  | 18.1              |
| Total .....                           | 361.8 | 484.1 | 33.8              |

In the twenty year period from 1890 to 1910 the mortality from the combined degenerative diseases in the registration area for all ages increased 41 per cent, divided as follows:

|                                  |             |
|----------------------------------|-------------|
| Heart and circulatory .....      | 46 per cent |
| Kidneys and urinary .....        | 50 " "      |
| Apoplexy and nervous system..... | 32 " "      |

<sup>13</sup> Quoted by Irving Fisher, *loc. cit.*, p. 26.

<sup>14</sup> Charles Bolduan, *loc. cit.*, p. 93.

"In addition to spreading the cost of the poor man's illness over a wide field, health insurance acts as a shield against the worry and fear of contingencies which lower the workers' economic efficiency and independence. . . . It ought to be generally adopted."—Chicago Daily News, February 17, 1916.



The rising mortality from degenerative diseases is a purely American problem, unknown in England, Sweden, and other hygienically advanced European nations,<sup>15</sup> and one of vast importance to the American people, for according to the Life Extension Institute, "it indicates a decline in American vitality."<sup>16</sup> Dr. Rittenhouse adds,

These slowly developing afflictions are not only reducing the working, productive period of life but they are lowering the working capacity of the individual often before he realizes it, or recognizes the cause. They are responsible for accidents, for damaged machines, spoiled goods, and other costly errors. They are the concealed enemies of alertness, accuracy, and efficiency. Therefore, every employer, small or large is financially concerned in checking the ravages of this steadily advancing enemy.<sup>17</sup>

The significance of these impairments in the life of the nation is seen in the actual mortality figures. According to the federal Bureau of the Census, in 1914 in the registration area 52,420 deaths were due to cancer, 51,272 to apoplexy, 67,545 to Bright's disease, 15,044 to diseases of the arteries, and 99,534 to diseases of the heart. Among the living, a large proportion have been found to be physically impaired. For instance out of 20,336 rejected applicants for life insurance 43 per cent were refused on the ground of the presence of or indications of the approach of these diseases.<sup>18</sup> Dr. S. S. Goldwater cites the results of physical examination of the employees of a New York City bank in which 100 per cent were found to be "on the sure road to diseases of heart, lungs, and kidneys, or blood vessels."<sup>19</sup> For the country as a whole Dr. Rittenhouse states:

It is safe to say that there are constantly at least 15,000,000 adults in America who have one or more of these organic diseases in some stage

<sup>15</sup> E. E. Rittenhouse, "Increasing Organic Disease—The New Public Health Problem," *American Journal of Public Health*, November, 1915, p. 1133.

<sup>16</sup> *Life Extension Institute, What Is It—What It Does*, p. 17.

<sup>17</sup> E. E. Rittenhouse, *Protecting the Human Machine*, address delivered before the Board of Trade, Washington, D. C., April 27, 1915, p. 2.

<sup>18</sup> E. E. Rittenhouse, "Increasing Organic Disease—The New Public Health Problem," *American Journal of Public Health*, November 1915, p. 1133.

<sup>19</sup> S. S. Goldwater, "The Next Step in Preventive Medicine," Department of Health, City of New York, Reprint Series, no. 18, June, 1914, p. 5.

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"The provision of medical care alone promises much for the prevention of sickness through detection of incipient diseases."—New York Sun, January 29, 1916.

of development. The period of development from the incipient to the serious stage of this class of disease may range from weeks to years, during which time they may be detected by occasional physical examinations and checked or cured if given proper attention. The most of these 15,000,000 people are drifting into these slowly developing and deferable organic diseases unknowingly. The state neither informs them or warns them.<sup>20</sup>

Dr. Goldwater asks, "In the light of such evidence as this, can it be maintained that preventive medicine is properly organized 'to curtail and if possible to prevent disease, to prolong existence, and to render life happier by means of improved physical conditions'?" Moreover, "These diseases, together with cancer and tuberculosis, are the despair of hygienists. If we do not know how to prevent them, we know at least how to recognize them in their earlier stages, long before the victims are incapacitated; and in a large percentage of cases we can postpone their serious development, promote the comfort of the individual, and prolong his working life."<sup>21</sup>

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<sup>20</sup> E. E. Rittenhouse, *loc. cit.*, p. 1130.

<sup>21</sup> S. S. Goldwater, *loc. cit.*, p. 5.

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"Knowing from our close association with the masses the immense amount of good such a measure would accomplish in relieving want and distress during sickness, in removing the fear of such from those who can hardly in good health keep the wolf from the door, and also in relieving from public charity those who are forced to seek such when illness has incapacitated them from earning their livelihood, we believe this measure to be fully justified by the self-respect such a measure would instill."—John P. Coryell, Secretary, Central Labor Union, White Plains, N. Y.

## **V. EXISTING AGENCIES CANNOT MEET THESE NEEDS.**

Not only are existing agencies for health insurance signally failing to measure up to the recognized needs for the cure, financial relief, and prevention of illness among wage-earners, but they are marked by inherent weaknesses which, as available experience has demonstrated, render them incapable of developing properly to meet those needs.

### **1. Charitable Institutions and Organizations Give No Evidence That They Can Provide an Adequate Solution.**

Philanthropic medical and relief organizations and institutions cannot be expected to provide an adequate solution to the problems arising from illness of wage-earners, even if their extension were wholly desirable. One of their main obstacles consists in the financial difficulties with which they must constantly struggle. In 1902 it was pointed out that twenty great New York city hospitals had an annual deficit of \$432,000. City payments covered less than half the cost of public charges cared for by these institutions and city finances were in such poor condition that no large increase could be hoped for from that source.<sup>1</sup> In 1915 the financial situation was still unsatisfactory. Four out of the five largest hospitals showed a total deficit of \$119,000 for the year ending September 30, 1915. The payments by the city were no higher in proportion to the cost of care, and the condition of municipal finances continued to make any marked increase in the city's help unlikely. The amount raised for the hospitals by the United Hospital Fund had risen only from \$83,000 in 1902 to \$113,000 in 1915, and nine more hospitals shared in the distribution. Such an organization as the Instructive District Nursing Association of

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<sup>1</sup> Frank Tucker, "The Financial Burden of New York's Hospitals," *Charities*, January 2, 1904, pp. 27-32.

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"As an employer of labor, I am heartily in favor of this bill, as I think it would help workingmen to help themselves to an extent, without feeling the burden, and the little it would cost us as employers would compensate us in not seeing so much misery among those whom we have been associated with."—F. A. Reinhardt, Reinhardt Manufacturing Company.

Boston, which finds that "Without the help of some social reform which will produce money to pay for care during illness, health agencies can do little more,"<sup>2</sup> is facing a similar situation.

Relief societies, to which the worker must frequently turn when in financial distress through sickness, find it no easier than medical agencies to raise an adequate budget. The long-established Brooklyn Bureau of Charities reported for the prosperous year ending April 30, 1913, that "much more [money] will be needed to cope with the expanding needs . . . of this borough."<sup>3</sup> The Philadelphia Federation of Jewish Charities, in its report for the year ending April 30, 1911, states that its members "are hampered for money. . . . The situation calls for greater liberality."<sup>4</sup> All social workers know that the financial question is one of the most pressing problems of philanthropic work.

A second limitation of philanthropic efforts is that of distributing institutions in accordance with the need and not merely in accordance with the whim of the giver. In an investigation of sickness in selected areas on the lower east and middle west sides of New York City in 1910, it was found that tuberculosis was approximately three times as prevalent in the latter neighborhood as in the former. Yet the east side district had three tuberculosis clinics to supply its needs while the west side district had but one. The report says that similar differences with a corresponding lack of provision for care were present with regard to other diseases.<sup>5</sup> After an extensive survey of the hospital situation in the smaller cities of the state, the New York Charities Aid Association remarked on the tendency not to provide for certain troublesome classes of diseases, namely contagious, alcoholic, and psychopathic cases.<sup>6</sup>

<sup>2</sup> The Instructive District Nursing Association of Boston, *Thirtieth Annual Report*, year ending January 31, 1916, p. 27.

<sup>3</sup> *Thirty-fourth Annual Report of the Brooklyn Bureau of Charities*, p. 34.

<sup>4</sup> *Eleventh Annual Report of the Federation of Jewish Charities of Philadelphia, 1911-1912*, p. 12.

<sup>5</sup> *Report of the Committee of Inquiry into the Departments of Health, Charities and Bellevue and Allied Hospitals, 1913*, p. 528.

<sup>6</sup> State Charities Aid Association, *Hospital Needs in Poughkeepsie, 1913*, p. 11.

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"The time is ripe to treble the effectiveness of the benefit fund idea by proper encouragement."—W. L. Chandler, Dodge Manufacturing Company.



But even if it were possible to obtain the money and the intelligent organization of charitable institutions necessary to supply the wage-earners' needs in time of sickness, the desirability of the method would be extremely doubtful. We might continue indefinitely to help cases of sickness by means of charitable relief without setting in motion any preventive measures which would reduce its amount. Then, too, the rank and file of wage-workers have a wholesome distaste for charity and are unwilling to avail themselves of it except as a last resort. The statement of the United Hospital Fund of New York City will be recalled that "Beyond question there are large numbers who need hospital treatment but fail to apply because they do not want to become objects of charity."<sup>7</sup> Such reluctance is worthy of encouragement rather than of discouragement, for it is in accord with the enlightened opinion of society as a whole that "alms-giving and alms receiving are degrading and demoralizing and that alms-giving should be restricted as far as possible." Attempts to meet the objection and to provide for those who can pay a little, but not the entire cost, through partially self-supporting clinics with low charges have been met by opposition from some quarters within the medical profession. Objection to evening pay clinics for those of modest means has been made both in Boston and New York on the ground that it would divert patients from family physicians. The New York County Medical Society has opposed the opening of such a pay clinic with \$1 fees on the ground that it would be an unnecessary pauperization of individuals and an injury to the medical profession.

## **2. Establishment Funds Cannot Meet These Needs.**

While many establishment funds are doing excellent work as far as they go, dependence upon the initiative and often upon the financial support of the employer will necessarily confine these funds to the progressive employer alive to his responsibilities to employees, leaving the great majority of wage-earners, and especially those most in need, without such protection. This is admitted by many employ-

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<sup>7</sup> See p. 167.

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"A large number of manufacturing concerns believe in the principle of sickness benefits for their employees to the extent of establishing voluntary systems in their particular plants."—Committee on Industrial Betterment, National Association of Manufacturers.

ers themselves. The industrial betterment committee of the National Association of Manufacturers reported:

Your committee believes that the voluntary method of treating sickness insurance in industry is the higher and better method; but against this belief we know that there are many employers who would not comply with the voluntary plan and provide sick benefits to their incapacitated employees.<sup>8</sup>

Even in their limited field it must be recognized that in the absence of state regulation or control certain socially disadvantageous conditions are often present in connection with establishment funds. In some cases employees have no share in the management of the funds and in not a few such instances membership is nevertheless compulsory. Joseph P. Chamberlain of the Columbia Legislative Drafting Research Fund says of railroad sick benefit funds, "although in many cases the men and the directors of the companies jointly manage the associations, yet, in some benefit associations, and in almost all, perhaps actually all hospital funds, the men have no voice. They are docked for contributions; they are cared for when sick; but they have no seat in the committee which disposes of the money and passes on the accounts."<sup>9</sup> An investigation of 461 funds by the United States Bureau of Labor showed that a total of 90,000 out of 750,000 members had no voice in the management.<sup>10</sup>

Recent experience in New York state shows that in addition to its objectionably paternalistic character, a compulsory benefit fund controlled entirely by the employer may be subject to serious abuses. On the failure of a large New York City department store it was found

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<sup>8</sup> National Association of Manufacturers, *Report of Committee on Industrial Betterment*, presented at the Twenty-second Annual Meeting, New York, May, 1916.

<sup>9</sup> Joseph P. Chamberlain, "Sickness Insurance and Its Possibilities in Mining and Railroading," *The Survey*, January 16, 1915, p. 424.

<sup>10</sup> *Twenty-third Annual Report of the United States Commissioner of Labor*, 1908, p. 390.

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"They attempt to provide against it [sickness] in the only way known to them—by insurance with 'health insurance' companies. The cost is enormous for a negligible benefit. The only way this matter can be handled properly so that the most necessitous will be provided for is through universal compulsory state health insurance."—Hon. Royal Meeker, U. S. Commissioner of Labor Statistics; Secretary-Treasurer, International Association Industrial Accident Boards and Commissions.

that the funds of its benefit society, which was compulsory and wholly controlled by the firm, had been lost through their use to bolster up the business. Popular indignation at the situation was expressed in a law forbidding "compulsory contributions by means of deductions from wages, direct payment or otherwise of employees in mercantile establishments to benefit or insurance funds."<sup>11</sup>

Labor men and some economists also feel that since voluntary establishment funds are inevitably the exception and not the rule, there is grave danger lest they interfere with the mobility of labor, binding the worker to unsatisfactory conditions for the sake of the benefits. Their exact influence in this direction is naturally impossible of determination but recent reports of a strike in the metal trades give some weight to the theory. The promise of the company that all the men returning to work on a given date would retain all their privileges in the benefit fund without penalty apparently proved an important factor in breaking the strike. Without reference to the merits of the controversy, the possible use of benefit funds in this way seems most undesirable from any social point of view. It has been suggested that this drawback could be overcome by voluntary federation and interchange of membership among several funds, but there is no tendency apparent to carry this idea into effect. Only one such federation is known to exist in the country, the Flint Vehicle Factories' Mutual Benefit Association of Flint, Mich., formed in 1901, and this is limited to one small city.<sup>12</sup>

The work of establishment funds in detecting and treating disease in early stages suggests the possibility of large-scale preventive efforts under universal health insurance. "The plan which some establishments are trying of having a corporation physician to examine the employees is a splendid aid to the fund by detecting many

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<sup>11</sup> New York, Laws 1914, C. 320.

<sup>12</sup> Franklin V. V. Swan, "Industrial Welfare Work in Flint, Mich.," *The Survey*, July 18, 1914, p. 411.

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"The cost of sickness or casualties falls mainly upon those who can least afford the loss. Since society has considerable to do with creating or continuing their industrial conditions, and since the state benefits from their industry and suffers from their misfortunes, it follows that state insurance forms self-protection to society."—Spokane (Wash.) *Spokesman-Review*, March 24, 1916.

cases needing treatment before they become critical or chronic" says W. L. Chandler, reporting on his investigation of establishment funds.<sup>13</sup> However, when the administration is in the hands of employers these preventive efforts can not obtain the full cooperation of employees and in all cases the efforts are limited by the lack of cooperation between various funds, which prevents them from drawing on the experience of the trade as a whole.

### 3. Commercial Health Insurance Cannot Be Developed to Meet These Needs.

Commercial health insurance, also, cannot well be developed to meet the demands of modern society for protection of wage-earners against illness and its consequences. Perhaps the most serious hindrance to the extension of this form of insurance is its necessarily high cost in proportion to the benefits received. In the District of Columbia, for instance, where approximately \$500,000 is annually paid in health insurance premiums to agents who collect 10, 15, and 25 cents a week at the homes of policyholders, only \$200,000 is paid out in benefits; the remaining \$300,000 is largely devoted to the cost of securing business and of making collections. "These people," says Hon. Charles F. Nesbit, Superintendent of Insurance of the District of Columbia, "have to give up \$1 for every 40 cents they get back."<sup>14</sup>

Throughout the country a similar situation exists. In their examination of the fourteen principal companies writing industrial health and accident insurance, the National Convention of Insurance Commissioners found that the highest ratio of losses to premium payments was only 46 per cent and that the lowest was but 30 per cent.<sup>15</sup> Among "mutual sick benefit associations" conditions are little better.

<sup>13</sup> W. L. Chandler, "Sickness Benefit Funds among Industrial Workers," *American Labor Legislation Review*, March 1914, p. 74.

<sup>14</sup> Testimony before the Committee on Labor of the House of Representatives, April 6, 1916, on H. J. Res. 159, A resolution for the appointment of a commission to study social insurance and unemployment, p. 105.

<sup>15</sup> *Proceedings of the National Convention of Insurance Commissioners*, 1911, Vol. II, p. 95.

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"It costs our people, as a community, nearly or quite as much for medical attention, support of the disabled, and of families directly, at the present time, as it would cost under an economically administered sickness insurance plan."—Miles M. Dawson, Consulting Actuary.



In 1914, the total amount paid for medical examiners (who sometimes give treatment), agents and "expenses of management," (\$3,195,894) was nearly as much as the total amount paid to members for sick and other claims (\$3,752,561).<sup>16</sup> In short the payment of \$1 by the wage-worker for commercial health insurance will provide him with only 25 cents to 50 cents in benefits in time of sickness.

Moreover, a thorough investigation of industrial health and accident insurance through commercial companies, made a few years ago by various state insurance commissioners, showed that many of the companies had an entire disregard for the interests of the insured and that some were guilty of downright frauds in the settlement of claims.<sup>17</sup> The report of the Utah insurance commissioner for 1915 indicates that the investigation did not entirely put an end to such unscrupulous methods. The commissioner states that "the limitations and restrictions in some of these accident and health policies are such that it is doubtful if anyone could recover on them," which results in frequent complaints to his department by dissatisfied policy-holders.<sup>18</sup>

Another drawback to commercial health insurance consists of the administrative difficulties inevitable under any such system. The provision of medical care—one of the first essentials of health insurance being to prevent and to cure diseases—is extremely hard if not impossible if a few members live in one village, a larger group in a second town, many members in a city, and isolated members on farms. To see that each person has access to a doctor involves contracts with many physicians and often no choice of doctor by the patient. Then, too, a scattered membership makes it difficult to check malingering, since many communities do not have a sufficient

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<sup>16</sup> *Insurance Year Book*, 1915, p. A-388.

<sup>17</sup> The results of the investigation are to be found in the *Proceedings of the National Convention of Insurance Commissioners*, 1911, Vol. II.

<sup>18</sup> Salt Lake (Utah) *Republican*, June 25, 1916.

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"It is a simple economic proposition for the community to aid workmen with small incomes to provide adequate insurance against loss due to sickness. Changing conditions in the United States will sooner or later, as in other countries, force the enactment of a law providing for sickness."

—B. S. Warren, Surgeon, U. S. Public Health Service. Sanitary Adviser, U. S. Commission on Industrial Relations.

number of members to justify the appointment of a paid sick visitor.

The administrative difficulties in handling health insurance through commercial channels have been recognized by no less an authority than the late John F. Dryden, for many years president of the Prudential Insurance Company. This company originally planned to provide relief in sickness and accidents as well as payments on the death of both adults and infants. But "Subsequent experience proved," says Mr. Dryden, "that under present conditions the operations of an industrial company must of necessity be limited to the assurance of a certain sum payable at death."<sup>19</sup>

The experience of the large British industrial insurance companies in administering health insurance under the British national insurance act illustrates the disadvantages of providing health insurance for the wage-worker by means of commercial insurance companies. Any improvements were not due to the companies but to the compulsory nature of the system. However, the administrative difficulties involved in organizing medical aid and sick visiting were still present. In Great Britain medical benefit under the national insurance act is not administered by the insurance carrier, but through separate bodies, organized according to locality. Thus the necessity of organizing medical aid by local groups was recognized most emphatically, even though its separation from the insurance carrier is responsible for many of the weaknesses in the British system.

Moreover, sick visiting under the British act has been extremely difficult because of the scattered membership. It is only a mammoth company such as the British Prudential, or one with a centralized membership, which has been able to develop any effective sick control. Even the Prudential after about a year's experience in paying benefit had only just begun to organize a system of sick visiting in an effort to see whether a comprehensive system for all its members scattered throughout the country would pay.<sup>20</sup> This cautious procedure, not-

<sup>19</sup> John F. Dryden, *Addresses and Papers on Life Insurance and Other Subjects*, 1909, pp. 31, 32.

<sup>20</sup> Great Britain, *Report of the Departmental Committee on Sickness Benefit Claims*, Appendix, Vol. I, p. 144. (Cd. 7688 of 1914.)

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"This measure, from a humanitarian standpoint, is one that should receive the support of every man, to relieve the distress of those that produce the nation's wealth."—S. E. Heberling, President, Switchmen's Union of North America.

withstanding the widespread belief that efficient sick visiting is the only check upon unnecessary claims,<sup>21</sup> shows the difficulties and the cost involved in sick control of a widely distributed membership, inevitable under commercial health insurance.

#### **4. Fraternal Insurance Cannot Meet These Needs.**

The appeal of American fraternal orders is not wide enough to enable them to afford the protection against sickness universally needed among wage-earners.<sup>22</sup> While the proportion of wage-earners is probably fairly high in the Catholic and immigrant orders, a large part of fraternal membership has always been composed of business and professional men.<sup>23</sup> Among the workingmen the more highly paid skilled mechanics are represented rather than the rank and file. It is a well-known fact that the fraternal orders like the Odd Fellows and Masons which have no real insurance systems, but which pay some benefits in times of sickness, have a middle-class rather than a working-class membership.

In estimating the extent of the protection afforded the working-people of the United States in time of sickness by fraternal societies, a further limitation must be considered. This is the high lapse rate. In 1915 the combined societies of the United States and Canada wrote 960,735 new certificates, yet their net increase in membership for the year was only 139,099.<sup>24</sup> Six-sevenths as many members left as joined the societies. Similar figures for other years show that the shifting membership is a constant problem to fraternal

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<sup>21</sup> Great Britain, *Report of the Departmental Committee on Sickness Benefit Claims*, p. 27. (Cd. 7687 of 1914.)

<sup>22</sup> See p. 184.

<sup>23</sup> The most important single investigation of American fraternal societies was published by the Connecticut Bureau of Labor Statistics in 1891. According to this investigation 26 per cent of the membership of fraternal societies with branches was made up of business and professional men, 38 per cent of "well-paid mechanics" and 31 per cent of "low-paid mechanics and clerks." In "societies without branches," 54 per cent were business and professional men and only 17 per cent "low-paid mechanics and clerks."

<sup>24</sup> *Statistics of Fraternal Societies*, 1915, pp. 202-204.

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"We are every day coming nearer the time when in this country we shall see laws enacted to provide, by some state insurance scheme, medical care for the poor."—Arthur Dean Bevan, M.D., Chairman, Council on Medical Education, American Medical Association.

societies and that it shows no signs of decreasing. Thus in 1909 as many as 1,051,609 new certificates were written, but the net increase in membership was only 327,338.<sup>25</sup>

Fraternal society benefits generally include medical care as well as a weekly cash benefit. Neither of these seems to be adequate. According to the plan usually followed each "lodge" or local branch of a society employs a doctor whom its members pay at the rate of \$1 a year. At this rate, which has become widely fixed by custom, it is charged that the members do not receive proper attention nor the physician adequate pay. Consequently such practice is largely in the hands of inexperienced or second-rate doctors, until "lodge" or "contract" practice has become a by-word among the profession.<sup>26</sup>

The low level of the cash benefits is apparent when it is considered that in the societies offering any form of health insurance the average payment per member for both sickness and accident claims was only \$1.34 in the year 1914 and \$1.07 in 1909. The well-known sick fund of Leipzig, Germany, under, it must be remembered, a much lower wage-scale than the American, expended an average of \$4.91 per member for cash benefits alone in 1913.<sup>27</sup>

In sickness prevention activity by fraternal societies is almost entirely lacking. They have no opportunities for work in the field of industrial hygiene and they have taken up questions of personal hygiene only to a very slight extent. In an investigation of fraternal society health insurance in New York City in 1914 it was found that only two out of fourteen societies carried on preventive work, and that these confined their activities to printing occasional articles on health subjects and to arranging a few lectures on tuberculosis.<sup>28</sup> On any large scale preventive work is untouched by

<sup>25</sup> *Ibid.*, 1910, p. 204-222.

<sup>26</sup> See "Health Insurance," *New York State Journal of Medicine*, February, 1916, p. 89.

<sup>27</sup> *Report of the General Sick Fund of the City of Leipzig*, 1913, pp. 74-75.

<sup>28</sup> See p. 153.

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"It is my hope that the various state legislatures and the Congress of the United States will take this question up immediately and settle it in a manner that will protect the workmen and those dependent upon them while incapacitated because of sickness."—Van Bittner, President, District No. 5, United Mine Workers of America.



fraternal societies, with scant signs of any growth of interest in the matter.

Furthermore the exceptional workman who may carry health insurance in a fraternal society cannot be sure that he has any lasting protection. The problem of "reorganization" to avoid bankruptcy and disintegration has become a leading question with fraternal societies. Their financial difficulties arise from their frequent failure to charge sufficient rates for life insurance.<sup>29</sup> Health insurance as well as life insurance protection is swept away in these catastrophes. Professor Henderson thus describes the situation:

The premiums of the older members are in comparison with those of younger members relatively too low to cover the risk and therefore the younger members must carry more than their share of the burden. Ordinarily the fraternalists have declined to provide reserve funds or have very inadequate reserves, and so the benefits must be paid out of assessments levied at or near the time of ripened claims. In consequence of these defects the rates of assessments rise gradually, and therefore the younger members, who must carry more than their proper share of the cost, fall away from membership, only older members remain; the burden becomes unbearable, and the brotherhood becomes bankrupt, unable to fulfill its promises or at least the expectations of the members.<sup>30</sup>

The matter of adequate rates was taken up as long ago as 1906 by the National Fraternal Council, but even the rates which it suggested, based as they were on considerably more favorable calculations than the tables used by commercial insurance companies, had been adopted in 1909 by only nineteen out of 114 societies. "Readjustments" were still going on in 1915 and "disasters" during the year included "the receivership of the Knights of Honor and of some of the state grand lodges of the Ancient Order of United

<sup>29</sup> It should be noted that some fraternal societies do not come under the supervision of state insurance departments. Out of fourteen fraternal societies studied in New York by the American Association for Labor Legislation in 1914, eight of the smaller ones were not under any form of state regulation.

<sup>30</sup> Charles R. Henderson, *Industrial Insurance in the United States*, 1909, p. 116.

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"Labor representatives and organizations will lend every aid to such a campaign, understanding best of all, because of individual and collective experience, the economic loss to the nation because of sickness."—Union Labor Bulletin, (Newark, N. J.), September 4, 1914.

Workmen."<sup>31</sup> The need of state regulation to put fraternal insurance on a thoroughly sound basis is now admitted by the leaders of the movement.

## 5. Trade Union Benefits Cannot Meet These Needs.

Mention has already been made of the small number of workers covered by trade union sick benefit funds. Under present conditions any large increase in the numbers so covered appears unlikely. The main efforts of American unionism are now being directed toward the organization of the unskilled, low wage trades. Workers in such lines cannot afford the high dues necessary to cover even the present low scale of benefits. Nor are all trade unionists in favor of having benefit funds. Many union men believe that these funds are a handicap rather than a help to organized labor in its efforts for better working conditions. Mr. Charles H. Moyer, president of the Western Federation of Miners, has lately said:

The constitution of our international defines its objects to be the maintenance of the rights of the workers to increase the wages and improve the condition of employment of our members by legislation, conciliation, joint agreements or strikes. This, in fact, should be the sole aim and purpose of labor unions, and yet many of our locals practically lose track of these primary objects and permit themselves to become purely sick and death-benefit associations. One of the principal causes for the failure of many locals can be traced direct to its inability to meet these benefits or the excessive taxation required to meet the same.<sup>32</sup>

It is also doubtful whether even in their limited field trade union sick benefits entirely fill the needs of members in time of sickness. With rare exceptions no medical care is provided. In 1908 in fifteen out of nineteen international unions the weekly cash benefit which must cover both medical care and living expenses was \$5 or less, and in only two cases was this sum payable for more than thirteen

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<sup>31</sup> George Dyre Eldridge, "Fraternal Insurance in 1915," *Fraternal Monitor*, February 1916, p. 22.

<sup>32</sup> Charles Moyer, *The Miners' Magazine*, February 3, 1916.

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"It (health insurance) is a measure which should receive the support and advocacy of every wage-earner. . . . It is a beginning which will lead to wider measures of public health conservation."—New York Call, March 14, 1916.

weeks a year.<sup>83</sup> Local funds were similarly limited, the prevailing rate being \$5 a week or less, and two-thirds of the whole number paying no benefits for longer than thirteen weeks in any one year.<sup>84</sup> Over half of the local funds did not pay benefit for the first week of sickness or for illnesses lasting less than a week.

Nor does it seem possible for the trade unions alone, without active cooperation from employers, to do widely effective work in the prevention of disease. An investigation of sickness benefit funds in New York City in 1914 showed that of eleven unions paying sickness benefits, only two had organized any preventive work.<sup>85</sup> In one the shop chairmen were supposed to report unsanitary conditions to a general sanitary committee which would take them up with the state labor department. The other union, composed of garment workers, came under the well-known Joint Board of Sanitary Control, which was able to do important work in improving shop conditions primarily because it represented both employers and employees.

## 6. Voluntary Subsidized Insurance Cannot Meet These Needs.

Certain European countries encourage health insurance among workingmen by subsidizing societies formed for that purpose. This system is of importance in the five European countries of Belgium, Denmark, France, Sweden, and Switzerland. In Belgium and France the help given in this way is rather limited and incidental, but in Denmark, Sweden, and Switzerland—all of which, it should be noted, are small countries, whose people are imbued with the co-operative spirit—governmental subsidies exist on a fairly comprehensive scale.

Though the subsidy system undoubtedly stimulates the growth of health insurance, the rate of increase is comparatively slow, leaving

<sup>83</sup> *Twenty-third Annual Report of the United States Commissioner of Labor*, 1908, p. 42-47.

<sup>84</sup> *Ibid.*, pp. 234-254, 264-266.

<sup>85</sup> See p. 153.

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"Our former insistence upon the competence of voluntary action to deal with accidents and disease in which the factor of the inherent risks of the industry is so great is being displaced by a belief in the necessity for compulsory insurance administered by governmental authority."—James M. Lynch, former President, International Typographical Union; member, New York State Industrial Commission.

a large number of wage-workers without protection. As a standard for comparison it seems fair to take the compulsory health insurance systems of Germany and Great Britain, both of which cover about 30 per cent of the total population and nearly 50 per cent of the male population.<sup>36</sup>

No subsidized voluntary system is equally inclusive. In France, a land noted for its thrift, the "approved" (subsidized) societies were estimated to include in 1907 4,091,000 persons or nearly a tenth of the total population. But of this number 665,000 were school children and 475,000 were "honorary members," well-to-do and benevolent persons who join the societies from philanthropic motives, leaving only 2,951,000 adult wage-working members. Of Belgium Frankel and Dawson state that "in 1907, there were 3,330 associations with a membership of 400,000. When it is considered that Belgium has a population of 7,300,000 of whom about 1,200,000 are wage-earners, it is clear that a large number of workingmen are still unprovided for."<sup>37</sup> According to an investigation made for the French government it has taken sixty-five years to attain this growth which has been reached only after continuous efforts to stimulate competition between the societies, to offer special privileges to the directors, and to increase membership through special propaganda committees.<sup>38</sup>

Nor have the countries with really comprehensive subsidy systems succeeded in solving the problem of numbers. The Swiss subsidized societies have a membership of somewhat over 400,000 out of a total population of nearly 4,000,000.<sup>39</sup> In Sweden in 1910 after nearly twenty years of subsidy-granting there were 500,000 persons, or not quite 10 per cent of the population, insured in registered funds.<sup>40</sup>

<sup>36</sup> I. M. Rubinow, *Standards for Health Insurance*, 1916, p. 22.

<sup>37</sup> Frankel and Dawson, *Workingmen's Insurance in Europe*, p. 200.

<sup>38</sup> Joseph Bégasse, *Les Assurances Sociales en Belgique*, 1907, pp. 5, 8.

<sup>39</sup> Harold G. Villard, "Switzerland's Plan of Introducing Workmen's Health and Accident Compensation," *The Economic World*, Dec., 1915, p. 826.

<sup>40</sup> Arbetsstatistik B:10. *Registrerade Sjukförsäkrade Verksamhet*, År 1910, pp. 5, 9, 27.

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"We feel it is perhaps the most important piece of social legislation, aside from the passage of the present workmen's compensation law, which has been proposed in New York State in the last decade."—Lester F. Scott, Assistant Director, The People's Institute.



Meanwhile the state subsidy increased more than twice as fast as the membership. Denmark, with 23 per cent of its total population insured against sickness in voluntary subsidized societies, is sometimes cited as an example of the adequacy of voluntary methods. But as I. M. Rubinow points out, "These figures are very deceptive, however. Of the total number insured, women constitute somewhat more than the majority, because married women may insure under the law, so that the number of families actually protected is only about one-half, and the proportion of insured males not over 25 per cent."<sup>41</sup>

Moreover, judging by the rate of benefits paid, governmental assistance alone is not sufficient to enable the societies to meet the real needs of the wage-worker in time of sickness. Thus in both France and Switzerland somewhat over half the societies failed to grant both medical and cash benefits.<sup>42</sup> The Danish societies are required to give both medical and cash benefits in order to receive a subsidy, but over half the societies do not pay for ordinary drugs and medicines and only 18 per cent pay the entire cost.<sup>43</sup> The rate of cash benefits is low and the term for which they are payable is generally short. In Denmark nearly 60 per cent of all the societies discontinue the payment of benefits at the end of thirteen weeks and in Sweden almost half the societies have a limit of less than that length.<sup>44</sup> Daily benefit in Denmark was 11 to 13 cents in over half the societies and rose as high as 26 cents in only one-eighth of them. In France in 1905 the average sick benefit a day was about 25 cents.<sup>45</sup> This may be contrasted with the average daily cash benefit of the Leipzig sickness insurance fund, which, fixed at 55 per cent of wages, was 42 cents a day.<sup>46</sup> Cash benefits under the English law are 41 cents for men and 29 cents for women.

<sup>41</sup> I. M. Rubinow, "Standards of Sickness Insurance," *Journal of Political Economy*, March 1915, p. 231.

<sup>42</sup> Frankel and Dawson, *loc. cit.*, pp. 208, 220.

<sup>43</sup> I. G. Gibbon, *Medical Benefit in Germany and Denmark*, p. 153.

<sup>44</sup> I. M. Rubinow, *Social Insurance*, p. 246.

<sup>45</sup> *Twenty-fourth Annual Report of the United States Commissioner of Labor*, 1909, Vol. I, p. 822.

<sup>46</sup> *Report of the General Sick Fund of the City of Leipzig*, 1913, Tables III and IX.

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"We strongly urge the voters of this country to.....endeavor to commit every candidate, according to the office he seeks, to support .....social insurance against sickness and accidents."—Washington Conference on Real Preparedness, June, 1916.

Yet, like the unregulated American "fraternals," in some cases the subsidized societies have gotten into difficulties through making higher payments than they could really afford. Frankel and Dawson say of the Danish societies:

Practically all are insolvent from an actuarial standpoint with insufficient funds accumulated to meet their claims permanently. This has already shown itself by the fact that several societies have suspended. [A plan for federation has been worked out but] newer and larger societies holding aloof from this federation are offering much lower rates, and are thus rendering the readjustment and conservation of older societies more difficult and precarious.<sup>47</sup>

Of the Belgian system also the director of the General Savings and Retirement Fund reported at the Third International Congress of Actuaries held at Paris in 1900, "In general, the mutual sick-benefit societies do not fulfil the necessary requirements of a safe and rational organization, their bases are entirely empirical."<sup>48</sup> Swedish societies are also pronounced unsound by experts "and unless they readjust [their rates] upon an adequate basis for a voluntary system, or insurance is made obligatory, many of them must fail."<sup>49</sup>

In preventive work, voluntary subsidized societies are necessarily at a disadvantage because they cannot enter the field of industrial hygiene. Notably in France certain societies have recently become active in combating the personal aspects of disease, maintaining sanatoria for tubercular members and printing and distributing literature on personal hygiene.<sup>50</sup> But in the absence of any possible control over the working conditions of their members much preventable disease must remain unchecked.

However, by far the most significant count against voluntary subsidized insurance systems is the trend toward compulsion in the countries having such systems. Frankel and Dawson say of the situation in France, "Of all the trade groups, the best protected against

<sup>47</sup> Frankel and Dawson, *loc. cit.*, p. 190.

<sup>48</sup> *Twenty-fourth Annual Report of the United States Commissioner of Labor*, 1909, Vol. I, p. 489.

<sup>49</sup> Frankel and Dawson, *loc. cit.*, p. 189.

<sup>50</sup> Frankel and Dawson, *loc. cit.*, p. 213.

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"The health insurance measure has passed the stage of discussion and become a live issue all over the United States."—Dayton (Ohio) Journal, May 17, 1916.

sickness are seamen and miners; for them obligatory sickness insurance schemes have been established by law to which both employers and employees contribute."<sup>51</sup> The Swiss health insurance act, though voluntary, may be made compulsory by any canton so desiring, and under its terms up to 1914 three of the Swiss cantons had decided to introduce compulsion.<sup>52</sup>

As a result of dissatisfaction with the voluntary system the Chamber of Representatives of Belgium in May 1914 (just before the outbreak of war) passed a bill for compulsory health, invalidity, and old age insurance which would have been referred to the Senate in November, 1914<sup>53</sup> had not all Belgian legislation been stopped by the war. The special committee of the Chamber of Representatives appointed to study this bill for compulsory insurance stated in its report, "It can be said that Belgium had tried by all means to turn the people toward saving and economy; before compulsion was introduced, education for the encouragement of initiative was tried."<sup>54</sup> The Swedish government has discussed a project for compulsory maternity insurance for all women between the ages of fifteen and fifty-one.<sup>55</sup> Even in Denmark, where voluntary subsidized insurance has reached its widest development, the compulsory principle has been introduced in a law of August, 1908, which requires employers to insure alien seasonal workers against sickness.<sup>56</sup>

<sup>51</sup> Frankel and Dawson, *loc. cit.*, p. 211.

<sup>52</sup> Office Suisse des assurances sociales, *Rapport du Département Suisse du Commerce, de l'Industrie et de l'Agriculture sur Sa Gestion en 1914*, III Division, pp. 13-15.

<sup>53</sup> Chambre des Représentants, *Annales Parlementaires*, p. 2031.

<sup>54</sup> *Bulletin Comité Central Industriel de Belgique*, Brussels, April, 1914, p. 218.

<sup>55</sup> Victor von Borosini, "What European Nations Are Doing in Maternity Insurance," *The Survey*, March 14, 1914, p. 745.

<sup>56</sup> I. G. Gibbon, *loc. cit.*, p. 14.

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"Insurance against sickness is proposed as a natural development of the principle of workmen's compensation..... This principle is as plain as day and California voters, unless they undergo a strange transformation in the next year or two, will stand in overwhelming numbers behind it."—San Francisco Bulletin, February 24, 1916.

## **VI. COMPULSORY CONTRIBUTORY HEALTH INSURANCE PROVIDING MEDICAL AND CASH BENEFITS IS AN APPROPRIATE METHOD OF SECURING THE RESULTS DESIRED.**

The desired results of more adequate treatment, financial protection, and prevention of illness, which existing agencies are unable to secure, can appropriately be reached through a comprehensive system of compulsory health insurance, providing medical care and cash benefits, and maintained, under democratic management, by joint contributions from employers, employees, and the state.

### **1. Compulsory Insurance Presents Advantages Not Offered by Any Other Method.**

Under a compulsory system a number of important financial and administrative insurance problems are solved with an efficiency impossible under any other method.

- (1) *This Method Makes Certain the Insurance of All Wage-Earners Who May Reasonably Be Expected to Require Protection.*

The difficulty of insuring under a voluntary scheme those who most require protection in time of illness is not peculiar to this country. In Great Britain, where voluntary health insurance through the fraternal and the trade unions had reached an exceptional development, it is estimated that 5,500,000 wage-earners were insured against sickness. Even this generous measure of protection did not, however, suffice, and it was necessary to resort to compulsion. The compulsory measure passed in 1911 included a total of 13,742,000 wage-

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A governmental system of sickness insurance is preferable because: More democratic; the benefits would be regarded as rights, not charity. Compulsory features, obnoxious under private insurance, would be no longer objectionable. . . . European experience has proved the superiority of government systems to private insurance."—Final Report, U. S. Commission on Industrial Relations; signed, among others, by John B. Lennon, Treasurer, American Federation of Labor; James O'Connell, Second Vice-President, American Federation of Labor; Austin B. Garretson, President, Order of Railroad Conductors.



earners over sixteen, or more than twice as many as had been insured under the voluntary system. With a few exceptions it covers all manual workers and all other employed persons over sixteen and under seventy years of age earning less than \$768 a year. The compulsory systems of other countries also embrace large groups. The German act, for instance, includes workmen, helpers, journeymen, apprentices, servants and sailors, and applies to foremen, officials, clerks, musicians, actors, teachers, and tutors earning less than \$600 a year, a total of 19,000,000 workers, or about 30 per cent of the population.

Equally inclusive was the bill for compulsory insurance presented to the legislatures of Massachusetts, New York, and New Jersey in 1916 by the American Association for Labor Legislation. This bill included, with certain exceptions, every person employed in the state at manual labor and all other employed persons earning less than \$100 a month. For the wage-earner's family, whose illness ordinarily entails no financial loss save that involved in physicians' bills, medical care during illness is provided in the Standard Bill and should be incorporated in bills presented to the legislature wherever practicable.

(2) *Compulsory Health Insurance Renders the Expensive Reserve Fund of Voluntary Insurance Unnecessary.*

A reserve fund, set aside to meet future claims, is an essential in voluntary insurance where there is no certainty that there will be a continuous accession of young lives. If no such accession is secured, and if the society has failed to lay aside a sufficient reserve, it finds itself burdened by the increasing claims of its members as they advance in age. It is then compelled to raise the contribution. This high rate, however, fails to attract young members, so that the society may eventually be forced into insolvency and fail to meet its obligations.

Compulsory insurance, with a definite guarantee that each carrier will have its share of the young men and women just

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"Health insurance is one of the biggest factors in the efficiency of the leading commercial nations, everywhere. There is hardly one industrial nation, outside of the United States, that does not rank it as one of the chief factors in its industrial progress, and that for well proven reasons."—Boston Daily Advertiser, March 1, 1916.

coming into insurance, presents a very different situation. Here the reserve is unnecessary, since the constant influx of young lives will counterbalance those growing older. Just as in voluntary insurance, the overpayments of each insured person in youth will counterbalance his underpayments in old age, but instead of building up his own individual reserve they will be used to cover the underpayments of some older man, while his own underpayments in old age will in turn be covered by the overpayments of some younger man. Under such a system it is necessary to carry only a small reserve to provide for an epidemic or other unusual occurrence, such as the German requirement of a reserve equal to one year's expenditure.

This is the method that has been adopted in the proposed plan of the American Association for Labor Legislation which provides for a small reserve, in this instance equal to one-sixth of the total expenditures for the preceding three years.

(3) *Compulsory Health Insurance Offers an Opportunity for Simplified and Economical Administration.*

The high administrative cost necessary to the acquisition of business and to collection of contributions under industrial insurance can be reduced to a minimum in compulsory insurance. Under compulsion all the tedious work of persuading a man that he needs insurance is accomplished by law. Even in Great Britain where each insured workman has the right to join any one of many thousands of approved societies, resulting in widely scattered membership and unnecessarily high administrative costs, the total chargeable to this account amounts to only 14 per cent of the income of the national health insurance fund.<sup>1</sup> In contrast to this, the societies which collect contributions for burial benefits spend for administration 37 per cent of their income according to one estimate,<sup>2</sup> or 48

<sup>1</sup> Hon. Charles Roberts in House of Commons, July 14, 1915; reported in *National Insurance Gazette*, July 24, 1915.

<sup>2</sup> *Reports of the Chief Registrar of Friendly Societies* for the year ending December 31, 1912, House of Commons paper 121 of 1914, p. 49.

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"Nearly a dozen European countries have divided the cost of sick benefit and medical care for the worker between the state, the employer, and the worker on an insurance principle, while the government of this country still leaves the sick worker to sink or swim, as best he can."—Beaver Falls (Pa.) Tribune, December 15, 1915.

per cent according to an official statement.<sup>3</sup> Further economies in management can, however, be effected under a better system of administration, such as that in operation in Germany, and that advocated for this country in the model bill. This plan differs from the British in prescribing the carrier, within certain limits. It allows each wage-earner to substitute membership in an "approved" fraternal society, a trade union fund, or an establishment fund for insurance in the ordinary carriers,—the local fund of the district or the trade fund which may be formed in a locality where large numbers are engaged in one industry. If these options are not exercised, a worker is automatically insured in the trade fund formed for the trade at which he is employed or in the local fund for the district in which he lives. Such a plan practically abolishes competition between societies and simplifies the administration because of the concentration of members. Moreover, the mutual control of these funds by employers and their insured employees will make for economy in administration, since the influence of both parties as contributors will tend to prevent extravagance and fraud, while the influence of employees as beneficiaries will prevent any undue decrease in benefits. The experience of the Leipzig sick fund shows that its expense in local administration, as distinguished from the total cost which includes the expense of central administration, is less than 10 per cent of the total expenditure, varying from a minimum of 7.4 per cent to a maximum of 9.4 per cent.<sup>4</sup> The average amount devoted to local management expenses in all the German sick funds is still less; in 1902 it reached its maximum level of 5.1 per cent of total expenditures;<sup>5</sup> by 1912 it had been reduced to its minimum level of 4.5 per cent.<sup>6</sup>

<sup>3</sup> *Ibid.* for year ending December 31, 1913, House of Commons paper 121 of 1915, p. 20.

<sup>4</sup> *Report of the General Sick Fund of the City of Leipzig*, 1913.

<sup>5</sup> *Statistik des deutschen Reichs*, Vol. 156, "Die Krankenversicherung im Jahre 1902," p. 38\*.

<sup>6</sup> *Ibid.*, Vol. 268, "Die Krankenversicherung im Jahre 1912," p. 15\*.

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"If some scheme can be worked out for the United States to establish a system of health insurance similar to that now in effect in certain European countries, I am sure it will be of great benefit to the people of this country."—H. M. Bracken, M.D., Minnesota State Board of Health.

The localization of membership possible when the insurance carrier is prescribed also simplifies the administration of medical care. Reference has been made to the difficulties which industrial insurance would encounter, if medical care for a widely distributed membership were attempted. The British effort to solve the problem by placing medical care under the jurisdiction of a local committee totally distinct from the insurance carrier has many weaknesses. Under this system the doctor is divorced from any responsibility for the funds of the insurance carrier upon which he virtually writes a check each time he issues a certificate of incapacity for work, and he is therefore tempted to be unduly generous.<sup>7</sup> The carriers, on the other hand, have no effective control over the physicians responsible for the medical treatment of their members and are able to make complaints against even flagrant abuses effective only through a most indirect procedure. This experience reveals the necessity for the administration of medical aid through the carrier, in conformity with the recognized principle of local organization. If this is to be accomplished, the membership must be centralized, and to secure concentration of membership the carrier must be prescribed.

## 2. The Proposed Method Supplies All the Needs of the Sick Wage-Earner.

By its provision for adequate medical attention, cash benefits equivalent to two-thirds of wages, maternity benefits and funeral benefits, the proposed method meets all essential needs of the wage-earner during a period of illness.

- (1) *All Necessary Medical Care Will Be Provided for the Wage-Earner, Including Medical, Surgical, and Nursing Attendance, Hospital Care, and Necessary Drugs and Prescribed Appliances up to the Value of \$50 in Any One Year.*

The medical care which is made a matter of legal-right by the proposed plan of health insurance is far above that enjoyed at the existing time by the wage-earner, who is compelled too often to

<sup>7</sup> Departmental Committee on Sickness Benefit Claims (Cd. 7687 of 1914), p. 36.

"The plan is full of splendid possibilities of higher standards of medical and nursing care, especially among the poor and those of moderate incomes."—New York City Trained Nurse, February, 1916.



accept charity or to forego the expert medical aid required. The family of the insured, also, will be provided with requisite medical aid, which will at least greatly reduce and probably eliminate entirely the expenditure for doctors' bills on an individualistic basis and assure medical advice when there is need for it.

Moreover, the legal claim to necessary medical care will stimulate backward communities to make the arrangements which they have thus far failed to make. For instance, the insured wage-earners of Dutchess County, N. Y., where nearly one-quarter of those ill during 1912 received no medical aid and where the necessary nursing and medical facilities were often not available, would have demanded the requisite services if they had been legally entitled to them. Under health insurance the provision of proper medical aid to hasten recovery will be a matter of financial importance to the funds, eager to cut down unnecessary expense. To facilitate such provision the insurance funds are empowered, with the consent of the state supervisory commission, to erect and to maintain hospitals where necessary. In view of the large numbers who will be provided for on the same basis, a more systematic organization of medical aid will also be possible. In this connection Michael M. Davis, Jr., of the Boston Dispensary says, "If a system of sickness insurance is to provide medical service for a large part of the working population on the financial basis provided by insurance payments, surely the medical organization of the system ought to be in line with the most advanced forms of medical work; or at least the system should contemplate development in that direction."

That development of medical care is not an idle hope is shown by experience abroad. In Great Britain, for instance, a redistribution of doctors to meet the needs of the industrial population had begun within two years after the enactment of the health insurance law. The law has also stimulated provisions for the care of tuberculosis. Under its influence have occurred the "appoint-

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"Germany has demonstrated that sickness and old age pensions increase, rather than diminish, a people's prosperity. During the period that she has enjoyed the pensions system she has been able to sell her merchandise throughout the world in competition with other countries. Her success has been such that England was forced to follow her, and has adopted a complete system of social insurance; and France is far advanced towards that end."—*Boston Record*, October, 1915.

ment of 150 'tuberculosis officers' and the opening of about as many public 'tuberculosis dispensaries'; the hasty adoption or extension of about 250 existing institutions to serve, more or less adequately, as 'sanatoria,' . . . whilst a score or so of new buildings, planned for some 3,000 beds, are in various stages of progress."<sup>8</sup> In addition, 1,200 shelters<sup>9</sup> have been placed at the disposal of the insured tubercular patients to enable them to sleep out-of-doors while living at home.

In Germany, where health insurance has been in effect since 1884, development has been more marked. Before the adoption of the insurance laws there was approximately one hospital bed for every 800 persons in the empire; in 1911 there was one bed to every 322 persons. "There can be no doubt," states an unprejudiced authority, "that the extensive development in hospital construction, management and improvement generally is directly due to the insurance against accident, sickness and invalidity."<sup>10</sup> Along with growth of hospitals has gone a growth of medical knowledge concerning the diseases which closely concern the people. Says a German observer: "The experience with social insurance has led to new knowledge in the field of occupational diseases, epidemics, and the care of victims of accidents. In the hospitals and similar institutions of the insurance carriers the physicians find the opportunity for further study of curative methods."<sup>11</sup>

In country districts where doctors are few and far between, the beginnings of sickness were often ignored until too late. A connecting link between medical man and patient has been provided in the "rural health stations," where medicine chests and obstetrical supplies are kept in charge of a nurse. The nurse cooperates with physi-

<sup>8</sup> Fabian report on "The Working of the Insurance Act", supplement to the *New Statesman*, March 14, 1914, p. 22.

<sup>9</sup> *Report for 1913-14 on Administration of National Health Insurance*, [Cd. 7496 of 1914.] p. 484.

<sup>10</sup> *The Hospital*, London, June 24, July 1, 1911.

<sup>11</sup> *Soziale Kultur und Volkswohlfort während der ersten 25 Regierungsjahre des Kaisers Wilhelm II*, 1913, p. 178.

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"Hundreds of thousands, now fighting on the field of battle for the fatherland, may trace their health and capacity to the timely and proper treatment received with the aid of sickness insurance."—Bulletin of the American Chamber of Commerce in Berlin, December, 1915.

cians, sick funds, and others, informs the insurance carriers of the patients' condition, suggests necessary measures, and watches the insured after recovery. The sick funds also grant convalescent care in special homes, and special unions have been formed in some parts of the country for the care of convalescents. Indeed, as W. H. Dawson has well said:

It is only necessary to mention the dispensaries for consumptives, the dispensaries and clinics for infants, the first aid societies, the school doctors, the day nurseries and care rooms for children, the holiday colonies and forest resorts, the people's kitchens, the milk depots, and the various societies and agencies for combatting alcoholism and even more insidious diseases, as examples of a new and large order of hygienic endeavors which play a part of the utmost importance in the life of the German working classes. Many of these institutions directly owe their existence to the impetus given by the insurance laws, and all of them are carried on, more or less consciously, as part of the national health crusade for which the insurance system is the rallying ground.<sup>12</sup>

That in spite of sharp disagreement at first the development of medical care under health insurance has proceeded without injury to the medical profession is shown by numerous reports both in Germany and in England. Early in 1914, before the war, a German physicians' organ stated that many new contracts had been signed between doctors and insurance societies, and that "for the present, at all events, the differences between the contracting parties have been brought to an end."<sup>13</sup> "The medical profession in Germany," declared another authoritative publication, "has never been really opposed to the principle of national insurance, partly because it recognized that the system was doing an immeasurable amount of good, and partly because the members . . . believed that a service on healthy, prosperous, and honorable lines would be developed through the influence [they] could exert on the authorities."<sup>14</sup> In Great

<sup>12</sup> William Harbutt Dawson, *Social Insurance in Germany*, pp. 206-207.

<sup>13</sup> *Münchener Medizinische Wochenschrift*, January 14, 1914.

<sup>14</sup> *British Medical Journal*, March 7, 1914, p. 547.

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"As a natural result of health insurance, all concerned, including the worker himself, would be impelled to take a greater interest in the maintenance of health. . . . Health insurance is one step toward the control and ultimate eradication of these expensive drains on the strength and resources of humanity."—Detroit (Mich.) Tribune, Jan. 30, 1916.

Britain, also, "After the bitterness of two years ago . . . throughout the country generally there was growing up a desire on the part of the panel practitioners to work the act in a spirit of friendly co-operation with the insurance authorities."<sup>15</sup> "The individual animosity and antagonism to the insurance act among physicians," says Dr. Alexander Lambert, "has practically subsided."<sup>16</sup>

(2) *A Cash Benefit Equal to Two-Thirds of Wages Will Relieve Financial Stress During the Illness of the Bread Winner.*

The absence of income entailed by illness of the breadwinner often compels a family to lower its standard of living, run into debt, or apply for charitable assistance. That two-thirds of wages will be sufficient, and yet no more than adequate, to protect a family during illness from a breakdown of its standards is indicated in the American studies of wage earners' budgets. According to the study made by Robert C. Chapin for the Russell Sage Foundation, the expenditure on food, rent, heat, and light decreases from three-quarters of the total annual income in families with incomes of \$400-\$800, to a little more than two-thirds of income in families possessing an income of \$800-\$1,200.<sup>17</sup> A similar proportional outlay for the bare necessities of life is shown in the much larger study made in 1901 by the United States Commissioner of Labor in the principal industrial centers of thirty-three states. In this inquiry covering 10,751 "normal" families with an annual income of \$300 to \$1,200, those in the \$400-\$800 group devoted a little more than two-thirds of their expenditure to these four items; those in the \$800-\$1,200 group spent slightly less than two-thirds for food, rent, heat, and light. The margin for savings was so slight as to make total expenditure nearly equal to the annual income.<sup>18</sup>

<sup>15</sup> *Ibid.*, April 17, 1915, p. 689.

<sup>16</sup> Report to the house of delegates of the American Medical Association, 1916, by Alexander Lambert, chairman of the Committee on Social Insurance, p. 128.

<sup>17</sup> Robert C. Chapin, *loc. cit.*, p. 70.

<sup>18</sup> *Eighteenth Annual Report of the United States Commissioner of Labor*, 1903, "Cost of Living and Retail Prices of Food," pp. 585, 367, 368.

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"Within a few years health insurance will be as widespread as compensation. . . . There is a greater need for a "Health First" campaign than for the "Safety First" movement."—Johnstown (Pa.) Tribune, March 17, 1916.



These figures indicate that a weekly cash benefit equal to two-thirds of wages during the breadwinner's illness will keep the wolf from the door and will keep the family from the door of the relief agency. On the other hand, they show conclusively that strict economy in the purchase of clothing and of miscellaneous items must be exercised. Such privation, while not serious, offers a direct financial incentive to return to work as soon as possible, an incentive which would be absent if full wages were paid during illness. The figures also demonstrate a second fact of equal importance, namely, that a weekly benefit of less than two-thirds of wages would be inadequate to meet the necessary running expenses of the family, and that on a smaller amount the family must draw on savings, run behind on the rent, obtain credit from the grocer, borrow, seek an income from lodgers or from the employment of wife or young children, or, as a last resort, ask charitable aid. Such an inadequate scale of benefit, although an improvement over present conditions, would only perpetuate the present system of under-feeding, lowered standard of living, and alms seeking which are the undesirable attendants upon the sickness of the breadwinner.

If any further justification of the standard benefit of two-thirds of wages were needed, it is found in the precedent established by Massachusetts, New York, and Ohio in requiring a payment of two-thirds of wages during disability resulting from industrial accident. Approximately the same standard is maintained in California, Kentucky and Wisconsin, which require a payment of 65 per cent of wages, while Hawaii and Texas provide 60 per cent.<sup>19</sup> The standard proposed for health insurance follows that already established in a similar field by the progressive states of the country.

(3) *The Maternity Benefit Provided for the Wives of Insured Workmen and for Insured Women Will Supply a Pressing Need.*

The need for better obstetrical aid than is provided to-day by the majority of midwives who attend 40 per cent of the births in this

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<sup>19</sup> American Association for Labor Legislation, *Standards for Workmen's Compensation Laws*, p. 4.

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"The movement for health insurance—the second large step in a comprehensive system of social forethought—is fairly under way in America."—*New Republic*, March 11, 1916.

country is evident. Through a health insurance system such as that embodied in the model bill, which provides an obstetrician for the wives of its members, as well as for insured women, it will be possible to supervise the character of the services rendered to those who to-day can be tempted to engage a dirty midwife because her fee is less than that of her more cleanly competitor.

The payment of a cash benefit equal to two-thirds of wages will enable the wage-earning mother to continue her usual contribution to the normal family expenses for food, rent, heat, and light, even though she be unable to continue industrial employment, either because she is physically incapacitated or because the law, as in several states, compels her to remain away from work for a prescribed period immediately before and after birth of her child. This payment will tend to prevent a lowering of the family standard of living at the time when it is most essential that the mother and baby have all the usual comforts of life.

To the nation as a whole such provision is of greater importance than protection at other times, since the conservation of the life of its future citizens at a most critical period is involved. According to Henry R. Hibbs, Jr., "the fundamental cause of the excessive rate of infant mortality in industrial communities is poverty, inadequate incomes, and low standards of living with their attendant evils, including the gainful employment of mothers."<sup>20</sup> The payment of the cash benefit will mitigate poverty during the period when the mother is obliged to be absent from remunerative work, and so will tend to reduce the infant mortality rate.

(4) *The Funeral Benefit Provided by This Bill Meets One of the Industrial Worker's Most Deeply Felt Needs.*

One of the needs most deeply felt by the wage-earner is provision for decent burial. A recent result of his efforts to meet this need unaided has been the issuance of large numbers of so-called industrial life insurance policies on such a basis that the worker pays

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<sup>20</sup> Henry H. Hibbs, Jr., "Influence of Economic and Industrial Conditions on Infant Mortality," *Quarterly Journal of Economics*, November, 1915, p. 150.

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"Social insurance laws offer the shortest, easiest cut to increasing the wealth of our industries. It is not a new tax. It is a new stimulus to production."—*Boston Advertiser*, April 26, 1916.

for the administration of this form of insurance almost as much as he is entitled to receive in benefits. "The average amount of insurance carried per policy is ridiculously inadequate to meet any of these serious economic problems" confronting the family on the death of the breadwinner, says Dr. I. M. Rubinow. "In 1881 it was \$91 per policy; in 1891, \$112; in 1901, \$133; and in 1911, \$138. . . . As a matter of fact it has been freely admitted for years that the problem which industrial insurance aims to solve, is not of 'life insurance' but of 'death insurance,' not the problem of relief for the survivors, but of a decent burial for the dead."<sup>21</sup> A writer in a recent number of the *American Federationist* states that "the average workingman earning \$600 a year spends \$13.05 a year for insurance, generally for little more than death benefits of \$50 to \$100."<sup>22</sup>

A similar range of insurance for funeral expenses is found in the payments made under American workmen's compensation acts. Of the thirty-four state laws for workmen's compensation in 1916, twenty-four allowed maximum payments of \$50 to \$100 for this purpose. The actual cost of burial, however, is probably much less. According to an unpublished report made to the Bureau of Social Research of the New York School of Philanthropy, if rigid economy is exercised, excluding, however, the possibility of pauper burial, the funeral of an adult in New York City may be had for \$50 to \$79. If less economy is exerted expenses amount to \$75 or \$100.<sup>23</sup> Thus the funeral benefit of \$50 provided in the model health insurance bill represents the minimum which workers themselves attempt to lay by for funeral benefits, the minimum in the compensa-

<sup>21</sup> I. M. Rubinow, *Social Insurance*, p. 419.

<sup>22</sup> Henry Wysham Lanier, "Sickness Prevention," *American Federationist*, March 1916, p. 183.

<sup>23</sup> E. M. Barrows, *Cost of Burial among the Poor in New York City*, Report to Bureau of Social Research, New York School of Philanthropy, June, 1909. (Typewritten).

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"That employers and the state should each contribute toward the health insurance of workers is economically sound and 'good business'. Both employers and the state, as well as the workers, profit by its results, and, after all, such insurance is only doing systematically and intelligently what is done by the old methods irregularly and to a considerable degree blindly, with much duplication of efforts and much waste of money."—*New York Times*, April 10, 1916.

tion laws, and the minimum cost of burial among the poor in New York City. It will meet this deeply felt need without presenting any temptation to unnecessary extravagances and without pretending to be anything more than a funeral benefit.

### **3. The Proposed Method of Dividing the Cost among Employer, Employee, and State Distributes the Burden of Sickness Fairly and Wisely.**

The division of the contribution among the employer, the employee and the state is eminently fair since it proposes to divide the cost among the three parties responsible for illness, and since advantages will accrue to each of the joint contributors.

#### **(1) *The Employer Is Partly Responsible for Illness and Would Benefit by Its Prevention.***

The responsibility of the employer for sickness arises from conditions in his establishment which make for ill health and for which he and not the employee is responsible. The New York State Factory Investigating Commission, for instance, found that "A great many of our industries are at present carried on under such abnormal conditions that they unduly increase the morbidity and mortality rate of the workers."<sup>24</sup> A later report states:

In the production of commodities, great economies must be practised as a matter of course. But there is a tendency on the part of many employers to economize not only in matters of legitimate expense, but also in space, light, air, and certain safeguards to the health and lives of the workers. Such false economy inevitably injures the employer and imperils the health and lives of his employees.<sup>25</sup>

The varying effect of trade dusts in producing tuberculosis according to their degree of injuriousness, already cited, is a particularly clear illustration of the relation between occupation and health. In-

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<sup>24</sup> *Preliminary Report of the New York Factory Investigating Commission*, 1912, Vol. I, p. 141.

<sup>25</sup> *Second Report of the New York Factory Investigating Commission*, 1913, Vol. II, p. 416.

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"Health is not merely a good to be desired, but the very minimum foundation of a decent society. A government which ignores health insurance is not making effective to its citizens their rights to life, liberty and pursuit of happiness."—New Republic, July 22, 1916.



dustrial poisons, such as lead, arsenic, mercury, phosphorus, ammonia, and wood-alcohol, are so frequently used that out of 1,040 establishments representing 61 industries investigated in 1913 and 1914 in Ohio, industrial poisons presented a health hazard in 712 or 68.4 per cent.<sup>26</sup> Lead alone is used in more than 100 different industries, and a cursory investigation during 1911 of the lead-using trades in New York City resulted in the discovery of 121 relatively serious cases in that one city,<sup>27</sup> while a more thorough investigation in Ohio during 1913 and 1914 revealed 544 cases in that state.<sup>28</sup>

Not alone the substances handled, but the conditions of work, are also responsible for sickness. The ventilation of a factory, for instance, is of prime importance, and has been called the "corner stone of sanitation." In the state of New York the factory investigating commission found that of the 5,124 shops investigated but 604, or 11.8 per cent, were provided with a system of mechanical ventilation, and that it was precisely the dusty trades in greatest need of such devices which were most lax in this respect.<sup>29</sup> Faulty ventilation, according to Professor C.-E. A. Winslow, presents a rich field for contracting tuberculosis, for "It is not only dust that gives people tuberculosis. Bad air does the same thing more slowly, but almost as surely. *Only few workers are in dusty trades, but a great army suffer from bad air in factories and offices.*"<sup>30</sup>

Other working conditions, such as posture, have an important bearing upon health. As a result of special investigations the New York Factory Investigating Commission states, "The high percentage of tuberculosis among cigarmakers may be accounted for first, by the methods of work, sitting in a stooping position at narrow tables

<sup>26</sup> Hayhurst, *loc. cit.*, p. 103.

<sup>27</sup> Edward Ewing Pratt, "Occupational Diseases; A Preliminary Report on Lead Poisoning in the City of New York," *Preliminary Report of New York Factory Investigating Commission*, 1912, Vol. I, p. 369.

<sup>28</sup> Hayhurst, *loc. cit.*, p. 374.

<sup>29</sup> *Second Report of the New York Factory Investigating Commission*, 1913, Vol. II, p. 431.

<sup>30</sup> C.-E. A. Winslow, *The Health of the Worker*, printed and distributed by the Metropolitan Life Insurance Company for the use of its policy holders, 1913.

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"We are in favor of health insurance, as is evidenced by the fact that we have had for five years a plan in effect similar to the proposed law."  
—F. C. Huyck & Sons.

opposite each other and in crowded rooms; secondly, by the wretched condition of the shops in general; and thirdly, by the home work done in insanitary tenements."<sup>31</sup> Among garment workers, according to the study made by Dr. J. W. Schereschewsky of the United States Public Health Service, 58.4 per cent of 1,073 men had a "bad posture," while 50.3 per cent of 2,086 men and 20.5 per cent of 1,000 women had spinal curvatures. A completely straight spine was rarely found by the examiners. The conclusion reached was that "while the garment trades in themselves did not necessarily induce faulty posture provided the postural habits of the worker were originally correct, occupation in the garment trades had a strong tendency to intensify incorrect postural habits."<sup>32</sup>

Fatigue, to which many workers are peculiarly subject because of long hours of work and the increasing strain of modern industry, is a predisposing cause of disease, "because if unrepaired, it undermines vitality and thus lays the foundations for many diseases."<sup>33</sup> Foundations are thus laid not alone for degenerative diseases brought on by over-exertion and the accumulation of waste products within the system, but also for diseases due to infection, since the lowered vitality of the system is less able to resist the onslaught of bacteria.<sup>34</sup> The greatest number of accidents and sicknesses occur, according to investigations of German insurance authorities, precisely in those factories in which the hours of work are the longest.<sup>35</sup>

The expense of sickness due to these and similar occupational hazards should be borne by industry as a part of the cost of production. It is as legitimate an overhead charge as that made for machinery and shop repairs. Already the cost of a part of the wear

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<sup>31</sup> *Second Report of the New York Factory Investigating Commission*, 1913, Vol. II, p. 500.

<sup>32</sup> J. W. Schereschewsky, "Studies in Vocational Diseases: The Health of Garment Workers," *United States Public Health Bulletin*, No. 71, May 1915, pp. 65, 61, 67, 69, 70, 73.

<sup>33</sup> Josephine Goldmark, Oregon ten hour case previously cited, p. 64.

<sup>34</sup> Josephine Goldmark, *Fatigue and Efficiency*, 1912, p. III.

<sup>35</sup> Frankel and Dawson, *loc. cit.*, p. 242.

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"State or national health insurance ought to appeal to the industrial leaders and to the financiers, just as it does to the ruling people in Europe. It is an insurance of themselves also against disease and an insurance of increased industrial efficiency and of increased social contentment."—Detroit (Mich.) Journal, June 6, 1916.

and tear of human lives has been placed upon industry through workmen's compensation legislation, and is being passed on to the consumer in the price he pays for the product. It is but just that the entire cost of the sickness for which industry is responsible should be included in the cost of production.

The return to the employer in a healthier and more efficient labor force also makes his share of the contribution a matter of justice. This return has been realized by German employers who are quoted in an official British white paper as stating:

According to our observation the employers willingly bear the costs which the insurance laws impose on them, and it is doubtful whether a single employer would wish to be without these laws so far as the cost goes. The laws "pay" employers from their own standpoint.<sup>36</sup>

The improved mental efficiency of the worker when one of his chief sources of worry is removed is likewise a source of benefit to the employer. Dr. Spieker, chairman of the League of German Employers' Associations, sums up this point in the telling words:

The task of the employers' associations in this field is a blessing not only to the workers, but to the industries. It is perfectly evident to-day that we have secured higher efficiency in our industries due to increased workers' efficiency, all brought about by relieving our workers from worries and distress on account of sickness, injury, superannuation and invalidity.<sup>37</sup>

American employers also are growing to realize the advantages which come from a healthy labor force. Mr. Howell Cheney states that his company, Cheney Brothers, has been actuated in contributing to a sick benefit fund for its employees by the following considerations:

First, it was an extension of the company's past system of relief to individuals and tubercular patients, so that it was not entirely dependent upon charity but was an encouragement to the efficient and provident employee who was willing to make a sacrifice to secure the additional

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<sup>36</sup> *Insurance Legislation in Germany*, copy of memorandum containing opinions of various authorities in Germany, Cd. 5679 of 1911.

<sup>37</sup> Schwedtmann and Emery, *Accident Prevention and Relief*, 1911, pp. 278-279.

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"A careful investigation would show that conditions imposed upon many workmen are responsible for much of the sickness.....and it is only fair that the employer under such conditions should be responsible for the health of his employees."—The Insurance Advocate, February, 1916.

benefits guaranteed. Secondly, it covered whatever slight occupational disease or unsanitary conditions might be connected with the industry, which its members were powerless to protect themselves against. Third, illness as well as injury occasion a large economic waste to the company as well as to the employees on account of lost time, idle machinery, and ineffective work. It is to the direct interest of the company as well as the individual to bring about a reestablishment of health, and consequently efficiency, by supplying the best conditions possible for recovery.<sup>38</sup>

A similar opinion is held by the directors of the American Telephone and Telegraph Company who in their report to stockholders for 1915 say in speaking of their employees' benefit fund:

We believe it is no more than simple justice that the men and women who devote their working lives to the telephone service should be assured of some income when they are sick or come to old age, and that some immediate provision should be made for those dependent on such workers when they die in the service. If justice demands this, its cost is a fair charge against the business, and we so regard it. Besides the matter of justice a suitable provision for these exigencies of life which the wage-earner is frequently unable to meet single-handed relieves him of anxiety and dread and enables him when sick to secure the care and treatment which he needs. The payment of the benefits thus brings a very real return through the employee's increased efficiency and interest in the service. Evidences of this and of its beneficial effect on the telephone service appear continually. The telephone-using public is benefitted as well as the telephone employees.

The employer's duty to care for the health of his employees, and the gain to him through so doing, have received legal recognition. Thus in *People ex rel Metropolitan Life Insurance Company v. Hotchkiss* (136 Appellate Division, New York, 154) the court says: "It is well within the corporate power to assume the care and treatment of such of its employees as are afflicted with tuberculosis. . . . The reasonable care of its employees according to the enlightened sentiment of the age and community is a duty resting upon it and the proper discharge of this duty is merely transacting the business of the corporation." Other cases present the same point of view.

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<sup>38</sup> Howell Cheney, "Plans Adopted by Cheney Brothers for Industrial Insurance and Old Age Pensions," in Schwedtmann and Emery, *loc. cit.*, p. 411.

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"There is not the slightest doubt that sickness insurance will be created by statute in this state before many years have gone by."—California State Medical Journal, May, 1916.



(2) *The Wage-Earner Is Partly Responsible for Illness and Would Benefit by Its Prevention.*

The responsibility of the employee for illness is seen in the conditions over which the individual has a certain degree of control, such as diet and mode of life.

Since the individual is in part responsible for illness, it is only just that he bear that portion of the burden not due to occupational hazard, with such help as the state may supply for public reasons. In this respect health insurance is unlike workmen's compensation, for illness of wage-earners does not all arise directly "out of and in the course of employment." There is a minimum of sickness for which the employee and not the employer should pay. Moreover, the personal gain to the employee from his improved health, and from the cash benefits received in time of illness, further justify his share in the joint contribution.

(3) *The State Is Partly Responsible for Illness and Would Benefit by Its Prevention.*

There remains a third group of conditions influencing health, such as the protection of water, milk and food supply, housing regulation, street cleaning, garbage and sewage disposal, and control of contagious diseases, for which the state is responsible. Thus George A. Johnson, consulting engineer, states that if the urban population of the United States were supplied with filtered water, or water of equal purity, the typhoid fever rate would be so reduced that "about 3,000 lives would be saved annually, and 45,000 cases of typhoid fever prevented."<sup>99</sup> For such unprevented illness the state should shoulder a portion of the financial burden. The state, too, will reap an advantage in the better health of its citizens resulting from increased facilities for medical care on a basis which all can afford and from the improved financial status of the family during the illness of the breadwinner.

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<sup>99</sup> George A. Johnson, *The Typhoid Toll*, address before the American Water Works Association, June 9, 1916.

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"Nothing is more certain than that prevention will take the place of treatment for cure, when it is plain to the employer and the employee that it costs him less to take precautions to avoid sickness than it does to pay the bills for medical service, after sickness is incurred."—Haven Emerson, M.D., Commissioner of Health, New York City.

(4) *The Proposed Distribution of Cost Will Put Health Insurance Within Reach of Those Who Otherwise Would Lack It.*

Besides being eminently just the proposed distribution of the burden of sickness has the additional advantage of placing health insurance within the reach of all wage-earners. The inability of many wage-earners to bear the entire cost of sickness insurance has been previously brought out. Only under compulsory insurance in which employer and state both pay a fair share is it possible to relieve the worker of a considerable portion of the cost.

(5) *The Proposed Division of Cost Between Employer and Employee Offers the Advantages of Democratic Control.*

Moreover, administrative advantages accrue from a wise division of the expense between employer and employee. In the model bill the contributions of the worker and the employer are equal, each paying 40 per cent of the cost. This distribution makes it possible to divide the control of the funds equally between employer and employee, since both are equally interested in economical and efficient management of the sums they have accumulated through joint contributions. To the employer this means that the organizations will not be dominated by a small coterie of radical workers who may not be guided by sound business principles; to the employee it means that the control of the funds will not rest with a group of business men eager to cut down benefits unduly in order that the contributions may be decreased. Control of the insurance funds has proved of so much importance in Germany that the employers are eager to pay 50 per cent of the cost in order to secure equal voice with the employees in the management in exchange for the present one-third control corresponding to their contributions of  $33\frac{1}{3}$  per cent.<sup>40</sup> The employees, on the other hand, who bear two-thirds of the expense, prefer this higher proportionate payment accompanied by a proportionate control in the administration.<sup>41</sup> Justice to both

<sup>40</sup> Schwedtmann and Emery, *loc. cit.*, p. 59.

<sup>41</sup> W. H. Dawson, *Social Insurance in Germany*, p. 260.

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"The obligation of the employer to insure will serve to call his attention to the cost of sickness and will be a strong incentive to more care in conducting his industry and more attention to sanitary methods and precautions."—Dr. Alice Hamilton, United States Bureau of Labor Statistics.

parties can only be achieved if the control be truly mutual and based upon their equal financial interest.

#### **4. Health Insurance Will Stimulate the Needed Campaign for the Prevention of Illness.**

The cash benefit equal to two-thirds of wages which will be payable under health insurance for each week of disability among large groups of workers will call attention forcibly to the cumulative financial loss involved in sickness, a loss which to-day is not brought home to the public because it is borne in silence by scattered individuals. The money benefit will set a cash value upon health, and will thereby stimulate the needed campaign for the prevention of illness.

Factory sanitation, for instance, will be developed. The system of financing adopted in the bills introduced in the legislatures of Massachusetts, New York, and New Jersey in 1916 make the incentive very direct. The contributions must be calculated so as to suffice for the payment of benefits and for administrative expenses; thus contributions may vary from year to year with an increase or a decrease in the amount of sickness. Since the insurance unit is the locality or a single trade, a high sickness rate in a community or a trade will be noticed at once by the employers in the high contribution; the prospect of decreasing the contribution by reducing sickness will make for the prevention of illness through the means most readily at the command of the employer, namely, improvements in factory sanitation. Where several industries are insured in one fund financial pressure can still be brought to bear upon each industry by varying the contribution to correspond with the sickness rate in each industry. Even the individual establishment which has an excessive rate of sickness can be reached by assessing an additional contribution upon such an employer without right of deduction from the employee. Thus the high cost of insurance will call attention both to an excessive amount of sickness and to the possibility of reducing expenditure on insurance premiums through the prevention of sickness. The interest of the employer in prevention of disease and in improved sanitation will at once be enlisted.

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"The most direct incentive for the promotion of [factory] sanitation would be the adoption of a proper system of sickness insurance."—Final Report of the Commission on Industrial Relations, 1915.

The power of health insurance to stimulate factory hygiene has been noted by Dr. Lee K. Frankel, who, in a paper entitled "Industrial Insurance the Basis of Industrial Hygiene," says:

It was an obvious sequence of such provisions [i.e. compensation for industrial disease under accident insurance] that factories and other industrial establishments should be put in the best possible sanitary condition, particularly in order to avoid the presence of dust, impure air, insufficient lighting, and so forth, since it was recognized that these conditions led to impaired health of workmen. . . . The wonderful industrial development in Germany in the last twenty-five years can unquestionably be attributed, in large measure, to the social-insurance scheme which prevails there, and which has taught the employer, as well as the employee, the utility of work under conditions which maintain health and prevent useless and avoidable injury and disease.

And Dr. Frankel concludes: "Our need in the United States is the cultivation of the principle of prevention as applied to sickness and invalidity, similar to the beginnings which have been made in insurance against fire and accident. Before this can be done, however, we must have a comprehensive scheme of insurance against the consequence of sickness and invalidity."<sup>42</sup>

Enlightening, also, is the activity of the medical research committee connected with the administration of the British health insurance act. Under the auspices of this body a "Special Investigation Committee upon the Incidence of Phthisis in Relation to Occupations" has issued a valuable report including recommendations for factory and other activities calculated to prevent tuberculosis among boot and shoe workers.<sup>43</sup>

That in this country, as well as abroad, a decided improvement in factory hygiene may be looked for following the introduction of health insurance is shown by the American experience with work-

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<sup>42</sup> Lee K. Frankel, "Industrial Insurance the Basis of Industrial Hygiene," *Transactions of the Fifteenth International Congress on Hygiene and Demography*, Washington, 1912, Vol. III, Part II, pp. 893, 896.

<sup>43</sup> Medical Research Committee, *First Report of the Special Investigation Committee upon the Incidence of Phthisis in Relation to Occupations*, 1915.

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"The great merit of the proposed legislation is the contribution it is certain to make to the cause of health conservation. Under this scheme health comes to have a cash value, not only to the employee, but to the employer and the state, since all must contribute to the insurance fund."  
—Henry R. Seager, Professor of Economics, Columbia University.



men's compensation. The introduction of this legislation has stimulated the widespread movement for "Safety First" which has resulted in a material reduction in the number of accidents. For instance, the Schenectady plant of the General Electric Company between 1913 and 1915 reduced by 34 per cent accidents causing a loss of time amounting to more than the remainder of the shift in which the accident occurred; in the same two years the Lackawanna Steel Company reduced all accidents involving loss of time by 44 per cent; during this period the Eastman Kodak Company in its Kodak Park plant effected a reduction of 56 per cent in all accidents occasioning loss of time; while the American Locomotive Company in the same two years reduced accidents causing a loss of five hours or more by 62 per cent.<sup>44</sup>

Preventive medicine also will be stimulated by health insurance. In the present day campaigns against tuberculosis, cancer, and degenerative diseases, early diagnosis is a recognized essential. Periodic physical examinations are one of the best methods of assuring that each person gives the physician opportunity to detect diseases while they are still in the incipient stage. But as has previously been pointed out, many industrial workers can not afford a physician even when ill, and will be much less likely to consult one when health is apparently normal. The physical examination now in vogue for employees at some establishments may seem at first to offer a solution. Reflection, however, shows that since these examinations are dependent upon the initiative of the employer they will be confined to a limited number of establishments. Moreover, since this examination does nothing more than reveal defects and fails to provide the necessary treatment, which

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<sup>44</sup> New York State Department of Labor, "Industrial Accident Prevention," *Special Bulletin No. 77*, May 1916, pp. 13, 12, 9, 5.

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"The strongest of incentives—that of lessening cost—is given to efforts to diminish frequency and seriousness of losses; sickness insurance in this respect is a preventive measure of a positive and direct kind. . . . Sickness insurance is no longer experimental, but is rapidly becoming universal."—Final Report, U. S. Commission on Industrial Relations; signed, among others, by John B. Lennon, Treasurer, American Federation of Labor; James O'Connell, Second Vice-President, American Federation of Labor; Austin B. Garretson, President, Order of Railroad Conductors.

many workers cannot afford, it too frequently is of little permanent benefit to the examined worker.

The opportunity both for physical examination and for treatment is provided by the medical benefit available under health insurance. Furthermore,

The workmen's present objections to medical examinations conducted by physicians hired by employers would disappear when the examinations were undertaken by a staff of independent physicians employed by the insurance funds. The loss of employment on account of ill health will be more than counterbalanced by the opportunities for quick recovery when we have a system of compulsory health insurance through which every workman suspended on account of physical unfitness will be entitled to sick benefit administered not by the employer and his hired physician alone, but by representatives of employer, employee and the state.<sup>45</sup>

Discrimination against workmen who are ill is less likely to develop when employers are brought to realize the economy of keeping trained men and returning them quickly to work, and when the burden of insurance is borne not by each employer separately, but by all in the trade or local group so that he indirectly continues to contribute as long as the man is employed by any member of the fund.

Moreover, the revelation of the real needs of the wage-earning population may be expected to stimulate here, as it is doing in Great Britain and as it has done in Germany, more adequate medical machinery for the prevention of disease. For instance the German invalidity funds which pay benefit for prolonged periods of incapacity have found, according to investigations in 1896 and 1899, that tuberculosis of the lungs holds third position as the primary cause of invalidity among men, and second position as the primary cause of invalidity among women.<sup>46</sup> This has led the German insurance funds to take an active part in the anti-tuberculosis crusade and, in

<sup>45</sup> John B. Andrews, "Physical Examination of Employees," *American Journal of Public Health*, August 1916.

<sup>46</sup> Frederick L. Hoffman, "Care of Tuberculous Wage-Earners in Germany," United States Bureau of Labor, *Bulletin No. 101*, p. 63.

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"A governmental system of health insurance can be adapted to American conditions, and when adapted will prove to be a health measure of extraordinary value."—B. S. Warren, Surgeon, U. S. Public Health Service; Edgar Sydenstricker, Public Health Statistician, U. S. Public Health Service.

the opinion of Dr. Bielefeldt, "The conviction may be expressed, after the experience of several years, that an effective battle against consumption among the working classes would have been all but impossible without the workmen's insurance of the German empire, and by the support of their powerful pecuniary resources, and with the aid of national social regulations, in the end we are quite certain to be victorious."<sup>47</sup>

Popular education on disease prevention may form one of the activities of the insurance funds. In Germany, according to W. H. Dawson,

The popular lectures, given in public halls or at trade union headquarters, are regarded as one of the most effective ways of securing the cooperation of the working classes in the crusade against disease. The central committee of the sick funds of Berlin which devotes great attention to this subject arranges for regular courses of lectures to be given by prominent medical practitioners in all parts of the city on the causes, symptoms, treatment and prevention of various diseases to which men and women respectively are particularly prone.<sup>48</sup>

Education on the prevention and treatment of tuberculosis has also been inaugurated in the brief history of the British act. Several of the more progressive insurance committees have arranged for courses of lectures, and one committee has made arrangements with twenty moving picture shows to exhibit films showing the treatment of tuberculosis actually offered to the people of the district.<sup>49</sup>

Governmental interest in comprehensive campaigns for sickness prevention will be intensified through the increase in the state contribution to the sick funds with an increase in the amount of illness. The possibility of reducing this appropriation will impel the state administration toward more extensive public health work. More powerful, probably, will be the activities of the local and trade funds in attacking local causes of sickness. For instance the German sick funds, notably the Berlin Sick Fund of Merchants, Tradesmen, and Apothecaries, have ascertained through their sick visitors

<sup>47</sup> Quoted in above, p. 23.

<sup>48</sup> W. Harbutt Dawson, *Social Insurance in Germany*, pp. 183-184.

<sup>49</sup> *National Insurance Gazette*, December 20, 1913; February 14, 28, April 11, May 23, June 13, 1914.

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"No other social movement in modern economic development is so pregnant with benefit to the public."—*Journal American Medical Association*, May 6, 1916.

the housing conditions of sick members. "Although," in the opinion of the German Imperial Insurance Office, "such investigations do not immediately reform all the evils, still their disclosure and publication and information given to the police, landlords, poor and school doctors and also to hospitals and tuberculosis sanatoria will help to improve the situation. The occupants of the dwellings are also informed of the probable cause of illness and are told of the necessity of sanitary lodgings."<sup>50</sup> Housing reform has also been promoted by the German invalidity funds which have large reserves to invest.

The actual increase in longevity of the German people during the operation of the insurance system is brought out in the accompanying table from the report of the National Conservation Commission, which shows that the rate at which life has lengthened in Prussia has been nearly twice as great as in other countries:

| RATE OF LENGTHENING LIFE, IN YEARS PER CENTURY |  |         |         |
|--|--|---------|---------|
| Country  | Periods                                      | Males   | Females |
| England  | .....1871-1881 to 1891-1900, or 20 years.... | 14..... | 16      |
| France   | .....1817-1831 to 1898-1903, or 76 years.... | 10..... | 11      |
| Prussia  | .....1867-1877 to 1891-1900, or 23 years.... | 25..... | 29      |
| Denmark  | .....1835-1844 to 1891-1900, or 57 years.... | 13..... | 15      |
| Sweden   | .....1816-1840 to 1891-1900, or 67 years.... | 17..... | 15      |
| <hr/>  |  |         |         |
| United States: Massachusetts                   | .....1855 to 1893-1897, or 40 years..        | 14      |         |
| India  | .....1881 to 1901, or 20 years.....          | 0       |         |

"It is probably no accident," states the commission in commenting on this progress, "that the maximum rate obtains in Prussia which is probably the most progressive country in the discovery and application of scientific medicine."<sup>51</sup>

Thus compulsory health insurance not only meets the urgent need of the wage-earner for medical care and for financial assistance during illness, but, of the various possible methods of insuring, it alone promises to distribute the cost fairly and wisely between employers,

<sup>50</sup> *The German Workmen's Insurance as a Social Institution*, Compiled by order of the Imperial Insurance Office for the St. Louis Exposition, Part IV, p. 24.

<sup>51</sup> National Conservation Commission, Report on National Vitality: Its Wastes and Conservation, p. 102.

"Through the establishment of health insurance, campaigns for "Health First" will spring up, as did those for "Safety First."—New York Tribune, March 14, 1916.



employees and the state, while it also offers peculiar administrative advantages and can be counted on to give a powerful stimulus to the prevention of sickness. Compulsory health insurance is at once an economical method of providing for the needs of the wage worker and a mighty force for the inauguration of a comprehensive campaign for health conservation.

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"Undoubtedly some such arrangement for the protection of workmen and their families against the sufferings consequent to illness and accident must come as a development of the present social trend. Already some dozen of countries in Europe have successfully instituted and maintained such health insurance without in a single instance a confession of failure or abandonment of the effort to solve this serious problem."—New York Herald, February 9, 1916.

## HEALTH INSURANCE STANDARDS

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1. To be effective health insurance should be compulsory, on the basis of joint contributions of employer, employee and the state.
2. The compulsory insurance should include all wage workers earning less than a given annual sum, where employed with sufficient regularity to make it practicable to compute and collect assessments. Casual and home workers should, as far as practicable, be included within the plan and scope of a compulsory system.
3. There should be a voluntary supplementary system for groups of persons (wage workers or others) who for practical reasons are kept out of the compulsory system.
4. Health insurance should provide for a specified period only, provisionally set at twenty-six weeks (one-half year), but a system of invalidity insurance should be combined with health insurance so that all disability due to disease will be taken care of in one law, although the funds should be separate.
5. Health insurance on the compulsory plan should be carried by mutual local funds jointly managed by employers and employees under public supervision. In large cities such locals may be organized by trades with a federated bureau for the medical relief. Establishment funds and existing mutual sick funds may be permitted to carry the insurance where their existence does not injure the local funds, but they must be under strict government supervision.
6. Invalidity insurance should be carried by funds covering a larger geographical area comprising the districts of a number of local health insurance funds. The administration of the invalidity fund should be intimately associated with that of the local health funds and on a representative basis.

7. Both health and invalidity insurance should include medical service, supplies, necessary nursing and hospital care. Such provision should be thoroughly adequate, but its organization may be left to the local societies under strict governmental control.
8. Cash benefits should be provided by both invalidity and health insurance for the insured or his dependents during such disability.
9. It is highly desirable that prevention be emphasized so that the introduction of a compulsory health and invalidity insurance system shall lead to a campaign of health conservation similar to the safety movement resulting from workmen's compensation.

# HEALTH INSURANCE

## TENTATIVE DRAFT OF AN ACT

Submitted for Criticism and Discussion by the  
COMMITTEE ON SOCIAL INSURANCE  
OF THE  
AMERICAN ASSOCIATION FOR  
LABOR LEGISLATION

The British title, "Health Insurance," is used instead of the German "Sickness Insurance," because it calls attention to the main object of the act, the conservation of health, that is, the prevention and treatment of sickness, as well as provision of financial benefits.

**Section 1. TITLE.** This chapter shall be known as the Health Insurance Act.

**Section 2. DEFINITIONS.** When used in this act:

"Commission" means the Social Insurance Commission;

"Fund" means a local or trade fund, as the case may be;

"Society" means an approved society;

"Carrier" means the society or fund which carries the insurance;

"Insurance" means health insurance under this act;

"Disability" means inability to pursue the usual gainful occupation.

### PERSONS INSURED

The principle of compulsion has been adopted because authorities are pretty generally agreed that this is the only method to reach the poorest paid and the most improvident workers, who obviously most need the benefits offered by an insurance scheme. Thus in Great Britain, where voluntary sickness



insurance had an exceptional development, only the better paid workers were insured, and it was found necessary in 1911 to enact a compulsory measure to give the whole population the necessary protection. In addition, compulsion to insure reduces the administrative expenses otherwise involved in canvassing for business; thus in Great Britain the administrative cost of the compulsory health insurance law is but 14 per cent of the receipts, whereas the societies which collect from house to house small premiums for burial insurance spend 37 per cent of their total income for management. Compulsory insurance, through the certainty that each fund will have a regular accession of young lives every year, allows the younger members who have overpaid in their youth to benefit in old age by the overpayments of the incoming generation, does no injustice to the individual worker, and therefore makes possible the avoidance of the reserve fund of private insurance. These savings make it possible to offer larger benefits for the same contributions than would be possible under voluntary insurance.

Moreover, European experience is strongly in favor of compulsion, and in no country in which it has been introduced has it been subsequently abandoned. Even in the United States compulsion is not unknown, for compulsory hospital funds are very common in the mining regions and on railways, affecting thus the highest as well as some of the lowest paid labor in the country.

Employed persons only are included, except that medical attendance is to be given to the families. The wage-earner is usually the breadwinner of a family; his illness is normally an economic as well as a physical misfortune;

his needs are therefore different from those of the classes not so directly dependent on health for their livelihood, or those of the non-wage-earning members of a family.

German and English precedents are followed by including under compulsory insurance all manual workers, whatever their earnings, and in limiting compulsory insurance for other employees, mostly clerks and foremen, to persons earning less than \$1,200 a year. (Sec. 3.)—The only exception to the general rule of compulsion is made for the case of home workers and casuals. Where a person works only occasionally, his contributions would be so few and scattered as not to form a proper basis for his benefits, and he will usually be dependent either on other members of his family, on other means, or on charity. Power should be vested in a public authority to make special provision for or to exempt any such cases from the insurance by a general regulation. (Sec. 4.) Following all European acts, provision is made for voluntary insurance of practically all working people not under compulsory insurance, and of small employers. It is particularly desirable that former employees who have been long insured should be enabled to continue their insurance. Voluntarily insured persons have the right to enter the compulsory mutual funds, and so to participate in their benefits and management. (Secs. 5, 35.)

**Section 3. COMPULSORY INSURANCE.** Every person employed in the state at manual labor under any form of wage contract, unless exempted under Section 4 of this act, and every other employee whose remuneration does not exceed \$100 a month, shall be insured in a fund or society, except employees of the United States and except employees of the state or of municipi-

palities for whom provision in time of sickness is already made through legally authorized means which in the opinion of the Commission are satisfactory.

**Section 4. HOME WORKERS AND CASUAL EMPLOYEES.** Special regulations shall be made by the Social Insurance Commission for the insurance of home workers and casual employees, or for their exemption from compulsory insurance.

**Section 5. VOLUNTARY INSURANCE.**

Self-employed persons whose earnings do not exceed \$100 a month on an average;

Persons formerly compulsorily insured who, within one year from the date on which they cease to be insured, apply for voluntary insurance;

Members of the family of the employer who work in his establishment without wages; may insure themselves voluntarily in the local or trade funds of the locality in which they live and of the trade at which they are employed, subject to conditions of this act.

**BENEFITS**

When the breadwinner of a family falls ill, he needs not only medical care, but also, usually, a sufficient cash benefit to insure the support of himself and of his dependents. It is essential that the two benefits be associated in the same organization, both for economy and convenience of administration, and also to meet effectively the abuse of malingering. The public interest in the insurance, the improvement of the health of a large and peculiarly threatened class of the community, can only be adequately met by the provision for medical attendance. The same public interest demands the extension of this benefit to the dependent members of the families of the insured, provided for in American hospital funds and in German sick insurance organizations. The state's subsidy is designed in

part to cover the expense of this extension which would not constitute a large percentage of the total cost. (Secs. 6-17.)

Proper provision for medical care is one of the most important problems in the efficient administration of health insurance. The tentative plan—many of the details of which should be left to regulations to be made by the Commission and the medical advisory board—allows each fund or approved society to select the method of administration suitable to local conditions. Where the fund chooses the panel system, any legally qualified physician may join the panel, and the insured workmen shall have free choice among physicians undertaking insurance practice. Since this system may not prove practicable in all districts, freedom should be left to the funds to provide medical care through other methods, such as salaried physicians, among whom there should be reasonable free choice, through physicians responsible for specified districts, or through any other method approved by the Commission. (Secs. 9-11.)

To avoid some of the recognized shortcomings of foreign systems, certain safeguards have been inserted. For instance, the limitation placed upon the number of insured patients whom a physician may treat will go far toward preventing a repetition of the British experience whereby, under a system of free choice of physician, one-fifth of the doctors are, in many towns, treating one-half the insured population. Moreover, since this limitation is calculated with reference to the probable number of sick days which a doctor is likely to have in charge, it will prevent extreme cases of overwork caused by



too large numbers of insured patients. In the interests of patients, doctors, and funds alike, it is highly desirable to separate the duty of certifying a person as eligible for cash benefit from that of treating him, and for this and for supervisory purposes a fund may employ a medical officer. (Sec. 11.)

The question of method of payment to physicians is an especially complex one on which the committee has not reached definite conclusions, although it offers the following points for discussion:

The capitation payment, of so much per person per year, common now in lodge practice, has in it elements which bring about an undue amount of work, and in turn forces neglectful, hurried service to the patients. Another plan is that of engaging a salaried physician, similar to the arrangements now made by many railroads. Since no fund could employ many physicians, the limited choice of doctor might be unfavorably regarded by some of the insured persons. The advocates of this system claim that it offers peculiar advantages of selecting the physicians most desirable for this work, and thus of obtaining better service. A third method, payment per visit, is also possible. To the medical profession this method may be preferable because it establishes a quantitative relation between services and remuneration, and to the patient because it probably secures more careful attention from the doctor and thus eliminates the chief fault of the capitation system. On the other hand, medical care under this system may put a heavier burden upon the funds administering benefits. A compromise between this and capitation may be made by which a total sum, calculated on the per

capita basis, is distributed among physicians in accordance with the services rendered by each. Instead of the elaborate fee schedule common under workmen's compensation, a more simple arrangement is made whereby a physician is paid pro rata for office and house visits. Although this effectively meets the chief objection to a capitation payment, it may be undesirable to the physician since the actual payment for each visit may decrease in proportion as work increases. However, the provision of a fixed amount divided according to services has administrative advantages since the total amount paid for medical aid is a fairly constant charge upon each fund.

But whichever system be adopted, one thing is clear: all medical service to the insured will be paid for, including the unremunerated dispensary practice of to-day. The problem becomes one of deciding which method of arranging for the 100 per cent collections of the future is preferable, in the interests alike of patients, doctors, and administrators.

Representation of the medical point of view in the administration is important. This need is met by the presence of a doctor on the Social Insurance Commission and by provision for consultation with representatives of the medical profession on medical matters. This secures a hearing to the medical point of view on both state and local problems.

The necessary supervision may be obtained through medical officers employed by the funds, while matters in dispute may be referred to special committees, both state and local. To these committees, representing the various interests, power might well

be given to remove undesirable practitioners from insurance practice, subject to an appeal to the Commission.

Provision for maternity benefit is included, since childbirth may be assimilated with sickness in its physical and economic effects, and since the interest of the public in better care of mothers is clear. The prohibition placed in some states upon the industrial employment of women just before or after childbirth, in addition to the financial loss involved in her absence from work emphasizes the desirability of providing a cash benefit during her inability to work just as cash benefit is provided for incapacity for other causes. Moreover the annual occurrence in the registration area of 10,000 deaths of mothers from causes connected with childbirth and of 52,000 deaths of infants from diseases of early infancy—many of which are preventable—make it imperative to provide more adequate care. The importance of this provision is reflected in the fact that maternity benefits are universally included in European systems. Provision for maternity benefit has always been a feature of the model Health Insurance bill. In an effort to meet objections from one source, however, this feature was left out of the bills as introduced in 1916. This omission led to much adverse criticism. (Sec. 18.)

Funeral benefits are the most urgently felt insurance need of the classes subject to this act. They are included in most compulsory foreign systems, and are provided for in most systems existing in America. As one of the benefits under sickness insurance, their cost would be very small in proportion to what it is at present, and also in proportion to the

total amount of benefits. The present great cost of premium collection for burial insurance will be done away with and the added cost of administration of the system will be negligible, while the relief afforded to the poorer classes of working people, in comparison to the heavy cost of securing burial insurance at present, will go far towards paying their share of the contributions for all benefits. (Sec. 19.)

**Section 6. CASES IN WHICH PAID.** Insured members shall receive benefits in case of any sickness or accident or for death, not covered by workmen's compensation.

**Section 7. MINIMUM BENEFITS.** Every carrier must provide for its insured members as minimum benefits:

- Medical, surgical and nursing attendance;
- Medicines and surgical supplies;
- Cash benefits;
- Maternity benefits;
- Funeral benefit;
- Medical and surgical attendance and medicines for dependent members of their families.

**Section 8. BEGINNING OF RIGHT.** Insurance, with the exception of maternity benefits, begins with the day of membership. The maternity benefits shall be payable to any woman insured against sickness for at least six months during the year preceding the confinement, or to the wife or widow of any man so insured.

**Section 9. MEDICAL, SURGICAL, AND NURSING ATTENDANCE.** All necessary medical, surgical and nursing attendance and treatment shall be furnished by the carrier from the first day of sickness during the continuance of sickness but not to exceed twenty-six weeks of disability in any consecutive twelve months. In case the carrier is unable to furnish the benefit provided for in this section, it must pay the cost of such service actually rendered by competent persons at a rate approved by the Commission.



**Section 10. MEDICAL SERVICE.** The carriers, subject to the approval of the Commission, shall make arrangements for medical, surgical, and nursing aid by legally qualified physicians and surgeons, and by nurses or through institutions or associations of physicians, surgeons, and nurses. Provision for medical aid shall be made by the carriers by means of either:

1. A panel of physicians to which all legally qualified physicians shall have the right to belong, and from among whom the patients shall have free choice of physician, subject to the physician's right to refuse patients on grounds specified in regulations made under this act; provided, however, that no physician on the panel shall have on his list of insured patients more than 500 insured families nor more than 1,000 insured individuals;
2. Salaried physicians in the employ of the carriers among which physicians the insured persons shall have reasonable free choice;
3. District medical officers, engaged for the treatment of insured persons in prescribed areas;
4. Combination of above methods.

**Section 11. MEDICAL OFFICERS.** Each carrier shall employ medical officers to examine patients who claim cash benefit, to provide a certificate of disability, and to supervise the character of the medical service in the interests of insured patients, physicians, and carriers.

**Section 12. MEDICAL AND SURGICAL SUPPLIES.** Insured persons shall be supplied with all necessary medicines, surgical supplies, dressings, eyeglasses, trusses, crutches and similar appliances prescribed by the physician, not to exceed \$50 in cost in any one year.

**Section 13. HOSPITAL TREATMENT.** Hospital or sanatorium treatment and maintenance shall be furnished, upon the approval of the medical officer of the carrier, instead of all other benefits (except as provided in Section 16), with the consent of the insured member, or that of his

family when it is not practicable to obtain his consent. The carrier may demand that such treatment and maintenance be accepted when required by the contagious nature of the disease, or when in the opinion of its medical officer such hospital treatment is imperative for the proper treatment of the disease or for the proper control of the patient. Cash benefit may be discontinued during refusal to submit to hospital treatment. Hospital treatment shall be furnished for the same period as cash benefit. This benefit may be provided in those hospitals with which the funds and societies have made satisfactory financial arrangements which have met the approval of the Social Insurance Commissioners, or in hospitals erected and maintained by the funds and societies with the approval of the Commission.

**Section 14. ARBITRATION COMMITTEE.** All disputes between the insured and physicians, or between funds and physicians concerning medical benefits shall be referred to special committees composed of representatives of the interests concerned with an impartial chairman appointed by the Commission, with an appeal to the Commission.

**Section 15. CASH BENEFIT.** A cash benefit shall be paid beginning with the fourth day of disability on account of illness; it shall equal two-thirds ( $66\frac{2}{3}$  per cent) of the weekly wages of the insured member. It shall be paid only during continuance of disability, and shall not be paid to the same person for a period of over twenty-six weeks in any consecutive twelve months.

**Section 16. CASH BENEFIT TO DEPENDENTS.** A cash benefit equal to one-third of the wages of an insured member receiving hospital treatment shall be paid to his family or other dependents while he is in the hospital.

**Section 17. PERIODS OF PAYMENT.** Cash benefit shall be paid weekly where possible, and in no case less frequently than semi-monthly.

**Section 18. MATERNITY BENEFITS.** Maternity benefits shall consist of:

All necessary medical, surgical and obstetrical aid, materials and appliances, which

shall be given insured women and the wives of insured men;

A weekly maternity benefit, payable to insured women, equal to the regular sick benefit of the insured, for a period of eight weeks, of which at least six shall be subsequent to delivery, on condition that the beneficiary abstain from gainful employment during period of payment.

Section 19. FUNERAL BENEFIT. The carrier shall pay the actual expenses of the funeral of a deceased insured member, as arranged for by the family or next of kin, or in absence of such by the officers of the fund, up to the amount of \$50. The funeral benefit shall be paid in case of death of a former member while in receipt of cash benefits, or death within six months after discontinuance of cash benefits because of the exhaustion of the time limit, provided he has not, within those six months, returned to work.

Section 20. ADDITIONAL BENEFITS. The carriers may grant additional or increased benefits, with the consent of the Commission.

Section 21. EXTENSION OF INSURANCE. When contributions cease on account of unemployment not due to sickness, the insurance shall continue in force for one week for each four weeks of paid up membership during the preceding twenty-six weeks.

## CONTRIBUTIONS

If a mutual organization of employers and employees is to manage the insurance under the supervision of the state, it is important that the two elements should feel a concern in keeping down the sickness rate and in preventing malingering. The most effective way of securing this result is to divide the pecuniary burden and thus make any increase in cost immediately felt by all parties concerned, so that the representatives of the various interests on the governing boards of the mutuals would be required

to show reasons for and results from their expenditures. The influence of the employees as recipients of benefits, and state supervision, will prevent undue decrease of benefits, while the interest of employees both as contributors and as recipients of benefits, joined to the interest of employers as contributors, will tend to prevent extravagance and fraud. The contribution of the state will not only justify state regulation, but will interest the public at large and state departments in the promotion of the public health.

If employers and employees are to have an equal share in the administration of the mutual funds, their contributions should be equal. The share of the state, one-fifth, is enough to interest the public in the results of the insurance, while it is not so large a share of the actual cost that its temporary withdrawal by an economical legislature or executive would fatally cripple the insurance fund. (Sec. 22.)

More weighty than the argument of expediency is that of justice. The state now recognizes its duty as a guardian of the health of those of its people less able to care for themselves, by factory and housing laws, by free hospitals and dispensaries supported by municipalities and resorted to by a large and ever-growing proportion of the poorer classes; the common danger from communicable diseases has made increasingly clear the benefit to all from a broad and effective health campaign. Why should not the general public, through the state, contribute to what has proved in other countries the most powerful agency for sickness prevention, Health Insurance?

The share of industry in causing sick-



ness is well recognized. Not only the more clearly defined industrial diseases like lead poisoning and caisson sickness, but also general diseases, tuberculosis, anemia, digestive and nervous disorders, are partly or wholly caused by dust, speeding up, monotony, long hours, or other conditions associated with modern business. Aside, therefore, from the advantage of interesting the employer financially in decreasing sickness by improving working and living conditions, and from his gain by a healthier working force, there is ample justification in requiring industry as such to contribute to the insurance. (Secs. 22-24.)

No new burden will be imposed on the employees. Investigators for the United States Bureau of Labor Statistics and for private institutions agree that at least 4 per cent of the income of working class families goes for care of sickness or for burial insurance. Based on German experience, as noted hereafter, this would be about the total amount required for all the benefits in this draft, and would be divided among employer, worker and state, so that the results of the insurance would be an actual lowering of the item of cost of sickness and burial in the family budget. Moreover, the benefits obtainable in such a subsidized system are greater than those which the workers' unaided contributions could purchase.

On the assumption that 4 per cent of the wages will be required for the benefits provided in this draft, about what the German experience shows would be necessary, the total contributions for a man earning \$600 would be \$24 a year, or \$2 a month. He

would pay 80 cents a month, the employer 80 cents, the state 40 cents. Most mine hospital funds charge the employee \$1 a month for medical attendance for sickness and trade accidents alone, usually including his family. (Secs. 23, 24.)

The plan of decreasing the employee's contribution as his wages decrease is adopted from the British act. The argument that his contribution would be no new burden on the individual employee loses force as wages approach the bare subsistence level, and it is therefore only reasonable that the industries which pay extremely low wages should bear an increasing share of the burden of sickness which often results directly from insufficient nourishment or poor housing. Section 22 will decrease the employees' contribution, normally 50 per cent of the joint contribution of employer and employee, by 10 per cent for each decrease in earnings of \$1 a week below \$9.

If the insurance rate for each industry is not to be based on individual examination of employees, clearly impossible in a large compulsory system, there are three elements which would fix the cost of health insurance. One is age, a second the character of work, and a third, locality. This last element need not be considered in a local mutual plan. The first may be disregarded, since the constant influx of young lives will counterbalance those growing older, and, as the insured must go in when young and continue in the insurance, normally, until he is old, his own overpayments in youth will counterbalance his underpayments later in life (only instead of building up the individual reserve fund necessary in private

voluntary insurance, his overpayments will be used to balance underpayments for some older man, and in turn another younger man's surplus will care for his advancing age). The second element is provided for in the draft by allowing the insurance rates for different industries to vary with the sickness ratio in each, and it may be well to go a step further and increase contributions paid by the employer in particular establishments which show a worse sickness ratio than others in the same industry. Where there are special funds for a particular industry, the question of rates takes care of itself; where several industries are associated in a local mutual, the governing board of a mutual, under the supervision of the state, may fix different rates for the different industries.

**Section 22. DIVISION OF EXPENSES.** The expenses of the funds shall be met by contributions from employees, employers and the state. The state shall contribute one-fifth of the total expenditures for benefits, subject to the provisions of Section 42; one-half of the balance shall be paid by the employer, one-half by the employee, except that if the earnings of the insured fall below \$9 a week, the shares of the employer, employee and state shall be the proportion indicated in the following schedule:

| If earnings are under | But not under | Employer | Employee | State |
|-----------------------|---------------|----------|----------|-------|
| \$9                   | \$8           | 48%      | 32%      | 20%   |
| 8                     | 7             | 56%      | 24%      | 20%   |
| 7                     | 6             | 64%      | 16%      | 20%   |
| 6                     | 5             | 72%      | 8%       | 20%   |
| 5                     | ..            | 80%      | 0%       | 20%   |

In all cases the contributions shall be computed as a percentage of wages.

**Section 23. AMOUNT OF CONTRIBUTIONS.** The amount of the contributions shall be computed so as to be sufficient for the pay-

ment of benefits and the expenses of administration of the fund and necessary reserve and guarantee funds.

Section 24. **RATES OF CONTRIBUTIONS.** In funds in which employees in several industries are insured, the percentage rates of contribution may be different for different industries, according to the sickness experience.

### **INSURANCE CARRIERS**

The principle of compulsion accepted, the insurance may be carried in any one of three ways: (1) by a state fund managed entirely by the state, as are workmen's compensation funds now existing in several states; (2) by approved societies, as in England; or (3) by district mutual associations, as in Germany. In case of either the first or the third, a place could be made for voluntary societies, and in the second a state organization of some sort would be necessary to cover the persons refused by or refusing to join the approved societies. The draft adopts the district mutual fund as the normal carrier, to which all insured persons must belong unless they are members of an approved voluntary society. This plan provides the most effective organization for combining employers and employees in a campaign for sickness prevention, and a most convenient and practical means for fixing rates and administering benefits. (Secs. 25-28.)

The state fund is open to both positive and negative objections. Its vast detail, the number of its officials, the very large sums of money which would be distributed among individuals insured, physicians, and supply dealers, the opportunity to favor industries, individual plants, and more especially localities, in fixing rates or paying benefits,



would not only make its operation cumbersome and costly but would afford rich opportunities for political favoritism and log rolling. Negatively, the state fund would not develop the sense of responsibility of the people in each locality for the sickness of their district; it would not bring home to each employer and employee the consideration that the less the sickness and the less the fraud, in town or city or industry, the less would be his contributions or the greater his benefits; it would not create a strong local organization, locally responsible and well supplied with money to fight the causes of disease. The advantages of a state fund, the wider outlook of the larger organization with resultant better information as to means of prevention and of cure, the power to compel backward communities to keep up with the progress of sanitation, the coordination of effort of several localities in removing a cause of infection common to all, or greater ease in suppressing such a cause of infection situated in a locality other than that in which the result is felt, prevention of local oppression, coordination of effort in the betterment of legislation, readier exercise of the state's police power, will all be gained by the state Commission provided for in the draft.

Administration by approved societies is open to the negative objections urged against the state fund, and to many that are positive. It is not worth considering in the United States, at all events, until evidence, at present lacking, is brought forward to show that there exists a frame work of voluntary societies, fraternals, trade unions, establishment benefit funds, strong enough

and widely enough extended to support the insurance. Other objections to this method of administration are the consequent multiplication of accounts, difficulties of administration, and supervision of the societies, objections on the part of the societies to state supervision, both in the granting of benefits and management of funds, and the necessity for a separate organization for medical relief which would divorce the physicians from any relation with the insurance carriers; all tending to complicate a system that should, as far as possible, be simplified.

While in the plan adopted local funds including in their membership all the insured persons in the district are the normal carriers, funds for various trades are provided to meet conditions in cities in which the large number of employees in each of several trades forms a sufficient basis for insurance. This plan will make the various mutuals less cumbersome, and will automatically take care of the troublesome question of the varying contributions among industries, according to their various rates of sickness. All funds are democratically governed by the contributors—employers and employees—whose relative representation in the governing boards is proportioned to the amount of their contributions. The members of the fund, employers and employees, elect, each for their own class, the members of a large committee which in turn chooses a board of directors to manage the fund. The large committee serves a double purpose. Because of its size it puts on a great many individuals responsibility for the success of the fund,

and it is a check on the directors, necessarily a small group, who are made responsible to a body which will inquire closely into their administration, instead of to the vague, general meeting of all members, frequently impossible to assemble on account of numbers and never effective. The system is adopted from the German law, and is similar to the ordinary procedure of large corporations in which the large representative powers of directors are often delegated to an executive committee responsible to them, the directors themselves retaining only general administrative supervision of the business. (Secs. 29-34.) A place is made in the plan for labor unions, fraternals, or establishment funds, which are willing to pay at least the minimum benefits provided for, can show that they are democratically managed, are not run for profit, and are financially sound. Employers are not required to contribute to labor unions or fraternal societies, but the state's 20 per cent contribution is given to them. (Secs. 38-40.)

When several societies or several funds are operating in a single district they may combine in a health insurance union for the administration of the medical benefit. This arrangement is necessary both in the interest of an efficient and economical administration of the medical benefit, and to secure the union that is strength in the local campaign for sickness prevention. (Sec. 41.)

A guarantee fund is provided as a sort of reinsurance for extraordinary losses. A great flood, an unusual epidemic, would impose a heavy toll on a local fund at a time when the resources of all of its

contributors were strained to the utmost. The importance of help at such a time would be well worth the small charge necessary to support the fund, a prudent investment from a purely insurance point of view. (Sec. 42.)

**Section 25. DIVISION OF THE STATE INTO DISTRICTS.** The Commission shall, within six months after this act goes into effect, divide the state into districts, no one of which shall contain less than five thousand persons subject to compulsory insurance; and shall establish one or more local or trade funds in each district.

**Section 26. AUTHORIZATION BY COMMISSION.** No fund shall begin business until it is authorized by the Commission. The Commission shall authorize a fund only after approval of its constitution and after the names and addresses of the board of directors elected for the first year have been filed with the Commission.

**Section 27. POWERS OF FUNDS.** Funds shall have all the power necessary to the carrying out of their duties under this act.

**Section 28. CONSTITUTION OF FUND.** Subject to the provisions of this act, the constitution of a fund shall contain:

Name of the fund and location of its principal office;

If the fund is a trade fund, designation of the trade or trades for which it is created;

Maximum percentage of wages in each occupation at which the regular contribution may be fixed;

Nature and amount of benefits and length of time during which they shall be given;

Manner of election, number, powers, duties, and time of meeting of the committee;

Number, powers, duties, and time of meeting of the board of directors;

Method of amendment of constitution;

and such other provisions as may be directed by the Commission.



**Section 29. COMMITTEE OF THE FUND.** There shall be a committee of each fund which shall consist of not less than twenty and not more than one hundred members, to be elected annually in the manner provided in the constitution, one-half by and from the employer members of the fund, one-half by and from the employee members. The committee shall pass upon the annual account and report submitted by the directors.

**Section 30. EMPLOYERS' VOTES.** Each employer member shall have as many votes for employer members of the committee as he employs workmen subject to the insurance and members of the fund, except that no one employer shall have more than 49 per cent of the total vote cast by employers unless otherwise provided in the constitution.

**Section 31. BOARD OF DIRECTORS.** The board of directors shall be elected by the committee for a period of one year. All directors must be citizens of the United States. The board shall consist of not less than eight and not more than eighteen directors, one-half of whom shall be elected by employer members of the committee, and one-half elected by employee members of the committee. No one shall be a member of the committee and a director at the same time. The compensation of members of the board shall not be more than \$5 a day for each day of attendance upon the meetings of the board.

**Section 32. RESERVE.** Every local or trade fund shall accumulate a reserve. The board of directors shall transfer to such reserve one-twentieth of the annual income of the fund until such reserve is equal to one-sixth of the total expenditures for the preceding three years. The reserve shall be maintained at this level. Any surplus which may accrue from the investment of such reserve may be transferred into the general account of the fund.

**Section 33. PAYMENT OF CONTRIBUTION.** Every employer must pay to any local or trade fund on the date on which he pays his men, or at least monthly, the total contributions due from him and from his employees to such

fund. He may deduct the sum paid as contribution due from each employee from his wages, but must inform him, in a method to be approved by the Commission, of the amount so deducted.

#### **Section 34. MEMBERSHIP IN FUND.**

Every person subject to insurance shall be an insured member of the trade fund of the trade at which and in the district in which he is employed; or if there be no such fund, of the local fund of such district; provided that while he is a member of an approved society he shall be excluded by the board of directors from membership in the fund. The Commission shall provide by regulation for the case of persons regularly occupied at one trade but temporarily employed at another. Membership in a local or trade fund shall cease as soon as the insured becomes a member of another local or trade fund. Any employer shall be an employer member of all funds of which any of his employees are members.

#### **Section 35. VOLUNTARY INSURANCE. A**

person entitled to voluntary insurance must be admitted on application to membership in the trade fund of his trade in the district in which he is employed, or if there be no such fund, then in the health fund of such district: Provided, That, except for persons who have been compulsorily insured members within the last twelve months, the by-laws of any fund may prohibit the admission to voluntary insurance of a person who has not passed a satisfactory medical examination by its medical officers, and that the application for admission be subject to the same condition as an application for ordinary life insurance. The contribution of the voluntary member shall be equal to the contribution required of the employer and employee for a compulsory member of the same trade and earnings.

**Section 36. LOSS OF VOLUNTARY MEMBERSHIP.** A person voluntarily insured loses his membership if he acquire membership, either voluntary or compulsory, in another fund or society, or if he be in arrears for one month in the payment of his contributions, unless this period be extended by the constitution.

**Section 37. FINES AND PENALTIES.** Funds may fine their employer and insured members and suspend insured members from benefit for violation of their rules or regulations or for fraudulent representations made with the intent of securing or aiding another to secure benefits, in accordance with rules approved by the Commission providing for such fines or suspensions. If an employer fail or refuse to pay the contribution which he is required to pay under this act the carrier to whom they are due may recover the whole sum with interest at 6 per cent by suit in a court of competent jurisdiction, and the employer shall not be entitled to deduct any part of the sum from the wages of his employee or employees.

**Section 38. APPROVED SOCIETIES.** A labor union, benevolent or fraternal society or an establishment society shall be approved by the Commission only after hearing the local or trade funds affected and only if:

- It is not carried on for profit, but reasonable salaries paid officials shall not be considered profit;

- It is under the absolute control of the insured members in so far as the insurance regulated by this law is affected, except that the employer may appoint one-half of the governing body of an establishment society;

- It shall satisfy the Commission that it is in a sound financial condition.

- It grants at least the minimum benefits provided in this act;

- It has a membership of at least five hundred persons insured for at least the minimum benefits provided under this act or their equivalent, except that in the case of establishment societies in which the employer satisfactorily guarantees the payment of benefits, the number of members may be fixed by the Commission;

- Its operation will not, in the opinion of the Commission, endanger the existence of any local or trade fund;

- In case of an establishment society, a ma-

jority of the employees subject to insurance request approval, and the employer's contribution is at least equal to that of all the employees.

The approval of the Commission may be withdrawn at any time upon its finding, after hearing the society affected, that any of the required conditions are no longer satisfied. The Commission may, after a hearing, permit an establishment society to accept, on conditions satisfactory to the Commission, as members all persons subject to insurance in its district.

Section 39. EMPLOYERS' CONTRIBUTIONS. The Commission shall assess, upon every employer any of whose employees are insured in labor union, benevolent, or fraternal societies, a sum equivalent to the employers' contributions had such employees been members of funds. This sum shall be paid in monthly instalments into the guarantee fund established by the Commission.

Section 40. STATE CONTRIBUTIONS. The state shall contribute to every approved society one-fifth of its total expense for benefits and for the expense of Health Insurance under this act, subject to the provisions of Section 42.

Section 41. HEALTH INSURANCE UNION. Two or more health insurance carriers within a district may combine for the administration of the medical benefit subject to the approval of the Commission. The Commission may, after notice to and hearing of the parties of interest, withdraw its approval and dissolve the union, making such disposition of its property as may seem to it in the best interests of the insured.

Section 42. GUARANTEE FUND. The Commission shall reserve 10 per cent of the contributions of the state to the carriers and pay it into a fund to be known as the guarantee fund, from which it shall contribute for the relief of any carrier on the application of its board of directors after investigation by the Commission. A contribution shall be made only where, in the judgment of the Commission, the necessity arises from epidemic, catastrophe, or other unusual con-



ditions, and shall never be made where, in the opinion of the Commission, the deficit is due to failure or refusal of the directors to levy proper rates of contributions. When and as long as, in the opinion of the Commission, the guarantee fund is sufficient, the Commission shall make no reservation for this purpose.

### STATE SUPERVISION

The duties of the public administrative authority under the draft will be principally judicial and supervisory. Its purely administrative functions will be few. It is probable that in some states adequate supervision can be developed under existing administrative bodies, such as those administering workmen's compensation, while in other states a non-partisan commission of several members, with terms expiring at different times, may be desirable. (Secs. 43-51.)

A social insurance council formed of elective representatives of employers and employees is joined to the Commission in an advisory capacity. An independent body of experienced men is thus provided to advise the public authority, but it has no power to obstruct or delay the execution of the Commission's orders. Its participation on the judicial side will lighten the work of the commissioners and will provide the element of non-partisan, technical knowledge so important for both just and prompt decisions. This sharing in the administration by these men directly concerned in the insurance as beneficiaries and contributors will increase their interest and their knowledge of its operation, will make the administration more surely mutual and diminish the danger from political or selfish ambitions. The method of election of councillors is in-

expensive and will insure a more careful judgment as to qualifications of candidates than a general election by all persons in the insurance. (Secs. 52-55.)

**Section 43. STATE SOCIAL INSURANCE COMMISSION.** A state Social Insurance Commission is hereby created, consisting of three commissioners, to be appointed by the governor, one of whom shall be designated by the governor as chairman, and one of whom shall be a physician. The term of office of members of the Commission shall be six years, except that the first members thereof shall be appointed for such terms that the term of one member shall expire on January first, nineteen hundred and eighteen; one on January first, nineteen hundred and twenty, and one on January first, nineteen hundred and twenty-two. Each commissioner shall devote his entire time to the duties of his office, and shall not hold any position of trust or profit, or engage in any occupation or business interfering or inconsistent with his duties as such commissioner, or serve on or under any committee of a political party. The Commission shall have an official seal which shall be judicially noticed.

**Section 44. SECRETARY.** The Commission shall appoint and may remove a secretary, at an annual salary of ———. The secretary shall perform such duties in connection with the meetings of the Commission and its investigations, hearings and the preparation of rules and regulations under the provisions of this act, as the Commission may prescribe.

**Section 45. OFFICERS AND EMPLOYEES.** The Commission may appoint such officers, other assistants and employees as may be necessary for the exercise of its power and the performance of its duties under the provisions of this act, all of whom shall be in the competitive class of the classified civil service; and the Commission shall prescribe their duties and fix their salaries which shall not exceed in the aggregate the amount annually appropriated by the legislature for that purpose.

**Section 46. SALARIES AND EXPENSES.** The chairman of the Commission shall receive an annual salary of ——— and each other commissioner an annual salary of———. The commissioners and their subordinates shall be entitled to their actual and necessary expenses while traveling on the business of the Commission. The salaries and compensation of the subordinates and all other expenses of the Commission shall be paid out of the state treasury upon vouchers signed by at least two commissioners.

**Section 47. OFFICES.** The commission shall have its main office in the capitol of the state and may establish and maintain branch offices in other cities of the state as it may deem advisable. Branch offices shall, subject to the supervision and direction of the Commission, be in immediate charge of such officials or employees as it shall designate.

**Section 48. POWERS OF INDIVIDUAL COMMISSIONERS.** Any investigation, inquiry or hearing which the Commission is authorized to hold or undertake may be held or undertaken by or before any commissioner, and the award, decision or order of a commissioner when approved and confirmed by the Commission and ordered filed in its office shall be deemed to be the award, decision, or order of the Commission. Each commissioner shall, for the purpose of this act, have power to administer oaths, certify to official acts, take depositions, issue subpoenas, and compel the attendance of witnesses and the production of books, accounts, papers, records, documents and testimony.

**Section 49. POWERS OF COMMISSION.** The Commission may adopt all reasonable rules and regulations and do all things necessary to put into effect the provisions of this act.

**Section 50. JURISDICTION OF COMMISSION TO BE CONTINUING.** The power and jurisdiction of the Commission over each case shall be continuing, and it may, from time to time, make such modification or change with respect to former findings or orders thereto as in its opinion may be just.

**Section 51. REPORT OF COMMISSION.** Annually on or before the first day of February the Commission shall make a report to the governor, which he shall lay before the legislature, which shall include a statement of the apportionment of the state contribution, statistics of sickness experience under this act, a detailed statement of the expenses of the Commission, the condition of the state guarantee fund, together with any other matter which the Commission deems proper to report, including any recommendations it may desire to make.

**Section 52. SOCIAL INSURANCE COUNCIL.** The social insurance council shall consist of twelve members, six of whom shall be elected by employer directors of the local and trade funds and six by employee directors of the local and trade funds; their term of office shall be two years, except that in the first election three of the employer and three of the employee members of the council shall be elected for one year; they shall receive a compensation of——a day for each day spent on the business of the council and shall be reimbursed for reasonable expenses.

**Section 53. OFFICERS OF COUNCIL.** The council shall elect a president from its own number; the secretary of the Commission shall act as the secretary of the council.

**Section 54. MEETINGS OF COUNCIL.** The council shall meet during the first week of December, of March, of June, of September, each year. Special meetings shall be called by the president on the request of at least five members of the council or of two members of the Commission, at any time.

**Section 55. DUTIES OF COUNCIL.** The annual report and recommendations of the Commission shall be laid before the December meeting of the council before transmission to the governor, and the council may approve them or make a separate report and recommendations to the governor. All general regulations proposed by the Commission shall be laid before the council at a regular or special meeting for dis-



cussion before final adoption, except in cases of urgency, to be determined by the Commission, and in this case the regulation shall be laid before the next regular meeting of the council or a special meeting called for the purpose.

**Section 56. MEDICAL ADVISORY BOARD.** The state medical societies shall choose a medical advisory board which shall be consulted on medical matters.

**Section 57. SETTLEMENT OF DISPUTES.** All disputes arising under the act, except those provided for in Sections 14 and 58, shall be determined by the Social Insurance Commission either on appeal from the proper authority or from the carrier or, in case of disputes between carriers, by original proceedings. The Commission may assign any dispute for hearing and determination to a dispute committee composed of one employer and one employee member of the council, and a member of the Commission, as chairman, the members of the council to serve in turn on the dispute committee for periods of one month; either party may appeal from the decision of the dispute committee to the Commission within thirty days from the date of rendering the decision.

**Section 58. MEDICAL DISPUTES.** All disputes regarding medical benefit which have been appealed to the Commission shall be referred by the Commission to the medical advisory board which shall report to the Commission and the Commission shall not decide any such dispute until after a report has been made by the board.

**Section 59. SUITS AT LAW.** Suit shall not be brought in any court on any matter on which an appeal is allowed to the Commission, until after a decision by the Commission or of a dispute committee, and the statutes of limitations shall not begin to run in such cases until after decision of the Commission or dispute committee is filed.

# SELECT CRITICAL BIBLIOGRAPHY

## ON

### HEALTH INSURANCE

The following select list of books and articles on Health Insurance is intended to serve two purposes. It attempts to indicate short, authoritative articles on the important phases of the question for those who in a limited time wish to gain a general idea of this growing movement. In addition the attention of the student and specialist is directed to the more important collections of materials from which he may learn the way to technical and detailed studies. Throughout an effort has been made to choose the titles which are most readily accessible in America.

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# LABOR LEGISLATION OF 1916

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## ANALYSIS BY SUBJECTS AND BY STATES

The labor laws enacted by the eleven states which held regular legislative sessions in 1916, together with the federal labor laws of the Sixty-fourth Congress, first session, and the statutes relating to labor passed by the insular possession Porto Rico, are summarized below in alphabetical order by subjects and by states, with chapter references to the session law volumes. Except for California, which is included, the five states which held special sessions passed no labor legislation.

### I. MISCELLANEOUS LEGISLATION

Labor laws which cannot be classified under any of the main headings are analyzed here. South Carolina strengthens its race segregation law for textile mills, while the United States makes widely available the report of the Industrial Relations Commission and takes action against time studies in government plants.

*South Carolina.*—Violation of the act providing for the separation of white and colored workers in cotton mills is made a misdemeanor punishable by a fine of not over \$100 for each offense or imprisonment for not over thirty days or both. (C. 391. In effect, February 17, 1916.)

*United States.*—The printing of 10,000 bound copies of the report and testimony of the Commission on Industrial Relations and 100,000 copies of the final report of the commission is provided for. (J. R. 15. In effect, April 28, 1916.) The fortifications appropriation act prohibits the use of any part of the appropriation to pay any officer or other person in charge of the work or any employee of the United States government while making a time study with a stop watch or other time measuring device, on any job, or to pay a bonus to any employee except for suggestions for improvement or economy in operation of a government plant. (C. 225, 64th Congress, 1st session. In effect, July 6, 1916.) The same provision is in the sundry civil appropriation act (C. 209, 64th Congress, 1st

session. In effect, July 1, 1916), and in the appropriation acts for the navy (C. 417, 64th Congress, 1st session. In effect, August 29, 1916), and for the army (C. 418, 64th Congress, 1st session. In effect, August 29, 1916).

## II. INDIVIDUAL BARGAINING

Under this head are considered laws which affect the labor contract between the individual workman and his employer. South Carolina establishes a weekly pay day for textile plants, while Massachusetts narrows the scope of its existing weekly pay day law and changes the method of its administration. Bi-weekly pay day laws are enacted or amended in Kentucky, Louisiana, and Mississippi. Loans on wages are regulated in Louisiana, and Massachusetts amends its law governing the assignment of wages. New York requires the use of prison labor on certain new prison buildings, and three states modify their mechanics' lien legislation. Louisiana forbids employers' compelling their employees to purchase from designated concerns.

### I. PAYMENT OF WAGES

*Kentucky.*—Corporations for pecuniary profit must pay semi-monthly wages earned up to a day not over eighteen days prior to the payment; or if an employee is not then paid, at any time thereafter on six days' demand, and must pay employees discharged or leaving employment, on three days' demand. Corporations shall not secure exemption by contract from this act. Any employee may sue for his wages due on each pay day. A corporation violating the provisions of the act shall be deemed guilty of a misdemeanor and fined \$25-\$100 for "each separate offense," and every failure to pay an employee at the time provided in the act is a separate offense. (C. 21. In effect, June 14, 1916.)

*Louisiana.*—No person, firm, or corporation shall engage in the business of loaning money on wages without a license for each separate office, and paying a state tax of \$500 on a capital of \$25,000 or over, and \$250 on a less capital. Local authorities may levy an additional tax. Licenses shall be reported to the commissioner of labor who shall require a report from the licensee within thirty days. Licensees shall keep a record of loans and payments and no assignment of future wages is valid, (a) against an employer unless

accepted in writing by him, or (b) without the written consent of the assignee's wife. Violation of the act is a misdemeanor with a fine of \$250-\$500, revocation of license, and cancellation of all loans in violation of the act. (No. 102. In effect, July 25, 1916.) Oil and mining companies are added to the employers who must pay wages every two weeks or twice each month, and the maximum term of imprisonment is abolished. (No. 108. In effect, July 25, 1916.)

*Massachusetts.*—The law as to prosecution for violation of weekly payment of wages law is amended by providing that the state board of labor and industries instead of "the chief of the district police or an inspector of factories and public buildings" may make complaint for such violations and by changing the time within which such complaints shall be made from within thirty days after violation to within three months after violation. (C. 14. In effect, March 26, 1916.) The existing law as to the assignment of future wages is amended by providing that a married man's assignment shall not be valid unless his wife's written consent is attached thereto. This law also amends the standard form of assignment of wages by specifically excepting therefrom that portion of the wages which is exempt by law from transfer, namely, three-fourths of the weekly earnings. (C. 208. In effect, June 13, 1916.) The existing law providing for weekly payments of wages to employees is amended by limiting hotels to which it applies "to those in a city." (C. 229. In effect, June 18, 1916.)

*Mississippi.*—The two weeks' wages payment act is amended to permit the payment of wages "on the second and fourth Saturday of each month." (C. 241. In effect, April 4, 1916.) A license tax is laid on the business of operating "grab cars" or commissary cars when contracted for by an individual supplying employees "or others" with goods "in payment of wages or otherwise." The tax must be paid in each county. It does not apply to railroads operating cars from which goods are sold only to employees. (C. 91. In effect, April 3, 1916.)

*South Carolina.*—Textile manufacturing corporations must have a regular weekly pay day to pay wages earned during the preceding week, and refusal "to have a weekly pay day" is a misdemeanor subject to fine of \$100-\$200 for each offense. (C. 546. In effect, July 1, 1916.)



## 2. MECHANICS' LIENS

*Louisiana.*—A lien on roadbeds, tracks, rights of way, and franchises on all railroads is created in favor of persons furnishing labor or materials for construction, maintenance or repair of the permanent roadbed and structure of the road, to exist without recording for twelve months from the date of the furnishing of labor or material. The lien is prior to any other lien or mortgage. (No. 98. In effect, July 22, 1916.) Workmen who have worked for any building or improvement on land under a written or verbal contract with the owner or with his agent shall have a prior lien on the improvement and land, and on the balance of the contract price in the owner's hands, if they file in the parish in which the land is situated a verified statement of the amount of the claim, the names of owner, contractor, and claimant, and a description of the property, within forty-five days after the acceptance of the work. Employees of a subcontractor shall have a similar lien on filing a similar statement. Claims for or under liens are assignable by writing. No owner shall be liable for more than he agreed to pay the original contractor, but the risk of payment to the contractor before forty-five days after acceptance of the work is on him, and the contractor cannot sue him till after this forty-five days. A lien may be enforced by suit in the parish in which the land is situated, is barred in one year from the date of recording, unless renewed, and takes effect from the time the labor is performed. No real estate is exempt from sale after execution of a lien. If there are several liens for work done or materials furnished on the same land, of the same date, "or equally just," the proceeds of a sale will be divided pro rata. (No. 229. In effect, July 30, 1916.) Every contract for \$1,000 or more for the drilling of a well for oil, gas, or water shall be recorded in the office of the recorder of mortgages of the parish in which the work is to be done before the day on which the said work is to commence and not later than thirty days after the date of the contract. The record creates a lien on the well and its appurtenances and on the ten acres immediately next to the well, except that if the owner of the well is a lessee the lien shall attach to the lease. The owner must require of the contractor or undertaker a bond for not less than half the amount of the contract, conditioned on the performance of the contract and the payment of all subcontractors, workmen, and materialmen by the contractor

or undertaker and in favor of the owner, subcontractor, workmen, and materialmen jointly. Every person having a claim against the contractor or undertaker shall after the completion of the work or default file a sworn statement with the owner and record it or his contract, if in writing, in the office of the recorder of mortgages of the parish in which the work was done, within thirty days after the registry of notice with the recorder by the owner of his acceptance of the work. If at the end of the thirty days there are no claims filed the contract and bond shall be cancelled; but if such claims are filed the owner shall file a petition in a proper court citing the claimants, the contractor or undertaker, and surety on the bond. The claimants other than the owner having a lien under this act shall be paid in preference to him. If no objections are made to the sufficiency of the bond within ten days from the filing of the petition the land may be freed from the lien; but if objections are made they should be tried summarily and if the surety is insolvent or insufficient, or if the owner has not recorded a bond, he shall be liable to the same extent as the surety might have been, and all subcontractors, workmen, and materialmen shall have a first privilege on the well and land or lease. The owner shall not make the last payment due on the contract, which shall not be less than one-fifth of the contract price, until the expiration of the aforesaid thirty days. This act applies the general rule to well-digging. (No. 232. In effect, July 30, 1916.) The mechanics' lien law providing for the filing of a contract over \$500 and bonds is amended to lengthen the period for filing claims to forty-five instead of thirty days after acceptance of the work, and to assure to claimants the right to sue on the bond individually or to start the joint action which the owner may bring. (No. 262. In effect, August 1, 1916.)

*New York.*—The new law granting, under certain conditions, a priority over mechanics' liens to certain building loans, mortgages, and transfers of real estate, expressly exempts liens for daily or weekly wages. (C. 507. In effect, May 11, 1916.)

*South Carolina.*—The mechanics' lien law which formerly gave a lien only to persons who furnished labor or materials for buildings by virtue of an agreement with or by consent of the owner or his agent is extended to grant a lien for labor or material furnished for improvements authorized by the owner but only to the extent of

the amount due and unpaid on the contract price of the improvement. The laborer or materialman must notify the owner of the amount or value of the labor or materials, and thereafter he shall be entitled to be paid in preference to his contractor, and no payment by the owner to the contractor thereafter shall lessen the amount recoverable. The amount due the contractor shall be prorated by the owner among all just claims of lienees. (C. 375. In effect, March 20, 1916.)

### 3. IMMIGRATION

*New York.*—See "Unemployment—Public Employment Offices", p. 291.

### 4. PRISON LABOR

*New York.*—The act providing for the construction of new buildings for Sing Sing prison requires that prison labor shall "so far as practicable, be employed in the work authorized by the act." (C. 594. In effect, May 18, 1916.)

### 5. MISCELLANEOUS

*Louisiana.*—Persons, firms, and corporations, either for themselves or as agents, are forbidden to require their employees to deal with or purchase goods from any individual or corporation, or to discharge or blacklist an employee for not dealing with or purchasing goods from another person or corporation, except that the act shall not apply to the purchase of uniforms. (No. 188. In effect, July 28, 1916.)

*Virginia.*—Any person who "with intent to injure or defraud his employer" makes a written contract of employment or for the performance of personal service to be rendered within one year "in and about the cultivation of the soil" and receives money or property under the contract and fraudulently refuses to perform the service or to return the money or property shall be "deemed guilty of larceny." (C. 13. In effect, June 12, 1916.)

## III. COLLECTIVE BARGAINING

Legislation affecting the conduct and settlement of trade disputes is passed by three states. South Carolina creates a board for the investigation and arbitration of industrial disputes, and Maryland gives similar powers to its reorganized labor department. In Massa-

chusetts amendments are enacted strengthening the law on advertising for strikebreakers and transferring its enforcement to another state department.

## 1. TRADE DISPUTES

*Maryland.*—It is the duty of the state board of labor and statistics "to do all in its power to promote the voluntary arbitration, mediation, and conciliation" of industrial disputes. The board may, subject to the approval of the governor, appoint boards of arbitration and provide for their necessary expenses and for reasonable compensation to the members. The board is authorized to prescribe the rules of procedure for such arbitration boards, and the arbitration boards are given the power to conduct investigations and hold hearings, to summon witnesses and enforce their attendance, to require the production of books, documents, and papers, and administer oaths, exercising these powers to the "same extent that such powers are possessed and exercised by the civil courts of the state." The arbitration boards are required to publish a report of their findings for the settlement of the disputes. The board of labor and statistics also has like powers to conduct investigations, hold hearings, and make reports. The state board is authorized, subject to the approval of the governor, to designate a chief mediator who shall have charge of the work under this provision. The chief mediator may sit on any board of arbitration, but he receives no extra compensation therefor. It is specially provided that nothing in this new section shall affect other provisions in the Maryland law with respect to "arbitration and award." (C. 406. In effect, June 1, 1916.)

*Massachusetts.*—The law prohibiting advertisements for laborers in establishments where there is a strike or lockout without plainly stating the existence of the dispute is amended. The law originally provided that the prohibition shall cease to be operative when the state board of conciliation and arbitration determines that the business of the employer is being carried on in normal and usual manner. The amendment requires a hearing on three days' notice before the determination. (C. 89. In effect, April 1, 1916.) Enforcement of this law (but not the duty of making the determination just mentioned) is transferred from the board of conciliation and arbitration to the state board of labor and industries. (C. 143. In effect, April 24, 1916.)



*South Carolina.*—A board of conciliation for investigation and arbitration of industrial disputes and strikes, composed of three members appointed by the governor for six-year terms, is created. Compensation is \$10 a day to each member actually employed in the performance of his duties, in addition to traveling expenses. One member shall be an employer "in behalf of an incorporated company," one a member of "a recognized labor union," the third member shall be appointed on recommendation of the other two; but if they cannot agree on him within thirty days after their appointment the governor shall appoint him "so that at least one member shall be neither an employer of labor in behalf of an incorporated company or an employee of any such company." The board is to investigate industrial disputes, strikes, or lockouts; to ascertain their cause, and to make a finding of fact which shall be reported to the governor "as soon as may be," and annually to the general assembly; to promote agreements in such disputes; to remove misunderstandings or differences; to nominate, appoint, or act as arbitrators when requested by both sides, and in general to remove "as much as possible" causes for industrial disputes, or strikes and lockouts, and to induce an amicable settlement. The board has power to summon witnesses and compel testimony; to compel production of books or documents relating to disputes; to inspect property with respect to which there is industrial dispute; to examine working and sanitary conditions and to summon and examine in public or executive session any person concerned in a strike, lockout or industrial dispute or any other person; to report to the governor or to the general assembly such testimony and its recommendation in respect thereto, unless a majority of the board deem it inadvisable to report. The board may be called into session by the governor, and the act shall be favorably construed for the promotion of the conciliation of industrial disputes, strikes, or lockouts and the removal of their causes. (C. 545. In effect, March 25, 1916.)

#### IV. MINIMUM WAGE

An important development in this field is the Congressional act establishing a standard eight-hour workday on railroads, which contains provisions affecting the wage of men in private employment.

*Massachusetts.*—For change in the personnel of the minimum wage commission, see "Administration of Labor Laws," p. 322.

*United States.*—For wage provisions of federal eight-hour law

for railroads, see "Hours—Maximum Hours—Private Employment," p. 287.

## V. HOURS

Congress establishes an eight-hour standard workday on railroads. Louisiana strengthens the women's and children's hour law and Maryland makes several changes in its corresponding statutes. The Mississippi general ten-hour law is amended to allow certain variations provided weekly hours do not exceed sixty, and to exempt railroads and public service corporations. South Carolina regulates the making up of lost time, and limits work to ten hours daily on certain interurban car lines. For public employees Massachusetts provides for a forty-eight-hour week in addition to the existing eight-hour day, and in New York public contracts are no longer forfeitable at the option of the municipality for violation of the eight-hour law.

### I. MAXIMUM HOURS

#### (1) PUBLIC WORK

*Massachusetts.*—The law relating to hours of labor of public employees and persons employed on public works is amended by adding, to the eight-hour day, provision for the forty-eight-hour week, and by adding to the employees to whom the act does not apply the following: Employees of the Massachusetts Nautical School (a) on boats maintained by district police for enforcement of laws, (b) in connection with care and maintenance of state armories. (C. 240. In effect, July 1, 1916, except that the provision for a forty-eight-hour week is not to take effect in cities until accepted by vote of city council approved by mayor, or in commission cities by vote of the commission; and the same provision is not to take effect in towns until accepted by the voters thereof.)

*New York.*—Section 1271 of the penal law is amended by striking out the provision making a contract for public works forfeitable at the option of the municipal corporation for violation of the eight-hour requirement. (C. 151. In effect, April 7, 1916.) For enforcement, see "Administration of Labor Laws," p. 325.

#### (2) PRIVATE EMPLOYMENT

*Louisiana.*—The law limiting hours of work of women and children is amended by striking out the exceptions in favor of mercantile establishments for the twenty days before Christmas, and by

limiting their Saturday night exemptions to mercantile establishments "in which more than five persons are employed." (C. 177. In effect, July 28, 1916.)

*Maryland.*—The child labor law is amended to require the posting of the hours of labor sections of the act in establishments employing children under sixteen (formerly eighteen), and adding the requirement to post a schedule of the maximum hours of labor of such persons, hours of commencing and stopping work, and hours allowed for meals. Employment for a longer time, or at different times from those stated in the schedule, shall be deemed a violation of the act (§25). The penalty for not posting the act and the schedule is now not over \$10 (formerly \$50) (§41). Children under sixteen may not work in connection with establishments mentioned in §4 of the law, for over six days or forty-eight hours in any week, more than eight hours in any day, or before 7 A. M. or after 7 P. M. The presence of such child in an "establishment during working hours shall be *prima facie* evidence of its employment therein." (C. 222. In effect, June 1, 1916.) The exception in the present law for seasonal employment in Allegany County has been repealed. The law is amended to provide that in any retail mercantile establishment, located outside of the city of Baltimore, women may be permitted to work on Saturdays and on Christmas Eve and the five working days next preceding Christmas Eve not more than twelve hours, if during each of such Saturdays and Christmas Eve and such five days the women so employed shall have at least two rest intervals of not less than one hour each. But this provision applies only to such mercantile establishments as have during the remainder of the calendar year a working day of not more than nine hours. (C. 147. In effect, June 1, 1916.)

*Massachusetts.*—The law relative to hours for women and minors is amended by providing that the state board of labor and industries shall determine what employments are seasonal in applying the exception in favor of such employments. The old law provided for the exception but not for the method of determining what is a seasonal employment. (C. 222. In effect, June 16, 1916.)

*Mississippi.*—The ten-hour day law is amended to permit employees to work not more than thirty minutes additional each day for the first five days of the week in place of twenty minutes, to permit night workers to work eleven and one-quarter hours for the

first five nights of the week beginning with Monday night, and three and three-quarters hours on Saturday night, all subject to the sixty-hour week limitation, and to provide that nothing in the act shall apply to railroads or public service corporations. (C. 239. In effect, April 7, 1916.)

*South Carolina.*—The ten-hour day, sixty-hour week, law in cotton and woolen mills is amended by adding a provision that sixty hours a week shall be regarded as six full days and paid for accordingly; by making the criminal penalty for violation of the act applicable not to entering into or enforcing contracts contrary to its terms but to requiring, permitting, or suffering any person to work longer than stipulated in the act; by specifying that the qualification permitting sixty hours a year excess time to make up for loss from accident must be in the year beginning January 1st in which such loss of time occurred; by providing that such loss of time must be made up within three months and by requiring manufacturing establishments subject to the act to post in every work place the hours of work for the persons therein employed and the amount of lost time, if any, to be made up, stating when the time was lost and from what cause. A complete record of lost time by days, hours, and minutes shall be kept and presented on demand to the factory inspector. Failure to comply with any of these provisions is to be deemed a violation, but there appears to be no penalty attached to such a violation, the penalty being applicable only to working employees beyond the hours specified by the act. The act also provides that regular hands working in cotton and woolen mills whether by day or piece when absent shall not be docked more than the machine operated by them would have produced in the time of their absence and all extra hands employed to run the machine in such absence shall be paid the full amount deducted from the regular employee's wages. Violation of this provision is punishable by a fine of \$50-\$100 or imprisonment for ten to thirty days. (C. 547. In effect, April 18, 1916.) No interurban railway operating forty miles or less may require an employee to labor for more than ten hours daily, except in the case of accident or unavoidable delay. Violation is a misdemeanor punishable by not over \$100 or not over thirty days' imprisonment for each offense. (C. 544. In effect, April 15, 1916.)

*United States.*—Eight hours is declared to be "a day's work and the measure or standard of a day's work for the purpose of reckon-



ing the 'compensation for services' of employees on railroads subject to the interstate commerce act, if such employees are actually engaged in any capacity in the operation of trains in interstate or foreign commerce. The act provides that beginning January 1, 1917, and until thirty days after an investigating commission created by the act has reported, the compensation of employees "for a standard eight-hour day" shall not be reduced below the "present standard day's wages." For all "necessary time" in excess of eight hours the pay shall be at a rate not less than the pro rata rate. The act provides for the appointment by the President of a commission of three, at a salary fixed by him, to observe, during a period of not less than six nor more than nine months, the "operation and effects" of the "eight hour standard workday" and the facts affecting the "relations" between the railroads and their employees. Within thirty days thereafter a report is required to be made to the President and to Congress. An appropriation of \$25,000 is made for the work of the commission. Violation is a misdemeanor; penalty \$100-\$1000, or imprisonment not over one year, or both. (C. 436, 64th Congress, 1st session. In effect, September 5, 1916.) Penalty for violation of the act of March 4, 1907, limiting the hours of labor of railroad employees, is changed from \$100-\$500, to "not to exceed \$500," and the provision that carriers shall be deemed "to have knowledge of acts of their officers" is changed to shall be deemed "to have had knowledge" of such acts. (C. 109, 64th Congress, 1st session. In effect, May 4, 1916.) For provisions in the federal child labor act in regard to children's hours, see "Safety and Health—Prohibition—Exclusion of Persons," p. 297.

## 2. REST PERIODS

*Maryland.*—For rest periods in stores, see "Maximum Hours—Private Employment," p. 287.

*Massachusetts.*—The state board of labor and industries is required to investigate hours and conditions of labor in hotels and restaurants, particularly with respect to the demand contained in petitions and pending bills providing for one day's rest in seven for hotel and restaurant employees, and to report not later than January 19, 1917. (Resolves, C. 74. In effect, May 1, 1916.) The act relative to the sale of food and drink on Sunday is amended so that licensed inn-holders' and common victualers' premises are in-

cluded within the exceptions to the operation of the Sunday law as long as the meals served do not consist of any intoxicating liquors. (C. 146. In effect, April 24, 1916.)

*Virginia.*—The Sunday rest law is amended to allow the delivery on Sunday of ice cream manufactured on another day. (C. 435. In effect, June 12, 1916.)

## VI. UNEMPLOYMENT

The Virginia statute regulating private employment offices is reenacted with several changes. In Maryland and in New Jersey the operation of public employment offices is made one of the functions of the reorganized labor departments, and New York creates a bureau of farm settlement in the department of agriculture. California endorses the suggestion of granting financial aid to unemployed who settle on the public domain. Investigations of unemployment are ordered, in Maryland by the labor department, in Massachusetts by a social insurance commission.

### I. PRIVATE EMPLOYMENT OFFICES

*Virginia.*—Chapter 155, Laws 1910, regulating private employment agencies is amended and practically replaced. As amended, the act requires every person or corporation who offers to furnish employment, to keep a register showing age, sex, nativity, trade or occupation, name and address of applicants. The act then provides that "such licensed agency" [there is no mention of a license either in the act of 1910 or in this act, so that the phrase is evidently copied from another act without adjustment and probably means any person offering to furnish employment] shall keep a register of name and address of applicants for help and the nature of the employment for which help is wanted. These registers are to be open to inspection of the commissioner of labor statistics or his inspectors. Registration fees are limited to \$3, for which receipts are required to be given, stating the name of the applicant, the amount of the fee, the date, and character of work. If the applicant does not obtain employment within thirty days after registration then "said licensed agency" shall forthwith return on demand the full amount of the fee. An agency shall not send out an applicant without having first obtained a *bona fide* order in writing for employment, stating its terms and conditions. Agencies are not to send

females to houses of ill repute, nor publish false information, nor make false entries in the register. All entries are to be in ink. Agencies are not to induce employees to leave existing employments. Employers or other employing agents are not to receive any fee or compensation paid by an applicant to secure employment with such person. [This is practically the old act.] The commissioner of labor statistics is to institute criminal proceedings for the enforcement of penalties for violation; he may also make rules and regulations for the enforcement of the act. Violation of the act is a misdemeanor, with a fine of \$10-\$200 for each offense, except that knowingly sending women to houses of ill repute is a felony, punishable by a fine of \$100-\$1,000, or imprisonment of one to ten years, or both. The principal provisions omitted from the act of 1910 as re-enacted by the above act are: (1) that permitting the agent who fails to secure a position for the applicant to retain \$1 as filing fee; (2) that requiring the agent to give to the applicant a copy of the agreement between them; (3) that authorizing the commissioner and his deputies to examine the books and papers of the agencies. (C. 168. In effect, June 12, 1916.) Sections 128 and 129 of the revenue act are amended to include among "labor agents" persons who solicit laborers to be employed by others and every agent of a person who solicits, hires, or contracts with laborers to be employed by others. The consequence of this would be to oblige the subagents to get licenses and pay the taxes. The fee for labor agents is raised to \$500 annually from \$25, except that \$25 is required annually from labor agents in cities and towns who transact all their business in a regular office and do not solicit, hire, or contract with laborers outside the office "except by written or telegraphic or telephonic communication" and one license tax shall be sufficient for all employees and agents in the office. An emergency is declared to exist as industries are being crippled by the hiring of men to go out of the state by "irresponsible and itinerant labor agents." (C. 517. In effect, March 17, 1916.)

## 2. PUBLIC EMPLOYMENT OFFICES

*Maryland.*—The former provision authorizing the chief of the bureau of industrial statistics to establish an employment agency is repealed and a new section is added authorizing the state board of labor and statistics to establish free employment agencies in such

parts of the state as may seem advisable. (C. 406. In effect, June 1, 1916.)

*New Jersey.*—See "Administration of Labor Laws," p. 323.

*New York.*—There is created in the department of agriculture a bureau of farm settlement for immigrants, one of whose duties is to aid farmers and immigrant farm laborers to come together. (C. 586. In effect, May 18, 1916.)

### 3. PUBLIC WORK AND AID

*California.*—The legislature endorses the recommendation in the third annual report of the United States Department of Labor "that the public land tenure be so regulated as to insure to the settler the entire product of his labor through government retention of title, together with financial aid to such of the unemployed as may take up homes on the public domain" as "eminently practicable and as marking definite progress toward the solution of the unemployment problem." (J. R., C. 8.)

### 4. INVESTIGATIONS

*Maryland.*—The state board of labor and statistics is required to investigate "the extent and the cause or causes of unemployment in this state, and the remedies therefor adopted and applied in the states of this country and other countries, and report thereon to the governor." (C. 406. In effect, June 1, 1916.)

*Massachusetts.*—See "Social Insurance—Investigations," p. 320.

## VII. SAFETY AND HEALTH

Kentucky and Porto Rico, in their workmen's compensation laws, make provision for the reporting of industrial accidents, while Kentucky includes also provisions for accident prevention. Eight states, as part of their campaign to promote industrial safety and health by excluding from certain employments those who would be most adversely affected, amend laws regulating the ages at which children may engage in specified occupations or providing for vocational school courses in connection with part time employment. Congress, also, bars from interstate commerce products upon which children have been employed under certain ages and at certain hours. A number of states take action on such matters of factory safety and hygiene as protection against fire (Kentucky, New



York), machine safeguards and boiler code (Louisiana), elevators (New Jersey, Rhode Island), lockers (Massachusetts), and wash-rooms and toilets in foundries (Virginia). New York prohibits the employment on steam or electric railroads of persons unable to understand and speak English.

## I. REPORTING—ACCIDENTS AND DISEASES

*Kentucky*.—For reports of accidents, see "Social Insurance—Workmen's Compensation," p. 308.

*Porto Rico*.—For reports of accidents, see "Social Insurance—Workmen's Compensation," p. 316.

## 2. PROHIBITION

### (1) EXCLUSION OF PERSONS

*Kentucky*.—The child labor act is amended to permit a non-resident child under sixteen to perform in a theater if his parent or "other adult custodian" remains in the wings and escorts the child to and from the theater. (C. 23. In effect, June 14, 1916.)

*Maryland*.—A number of sections of the child labor act are repealed and reenacted with many slight changes and some of importance. Work in mercantile establishments, stores, offices, boarding houses, places of amusement, clubs, or in the distribution, transmission, or sale of merchandise, is now prohibited to children under fourteen in addition to the former list (§4). The operation of cross cut saws, slashers on other machines, operated by other than foot or hand power, cutting machines, work in tobacco factories, theaters, or moving picture establishments are added to the list of occupations prohibited to children under sixteen, who cannot now be employed, permitted, or suffered to appear in any professional theatrical performance, where previously the prohibition extended to employment in any theatrical performance (§§7-9). Employment certificates may be issued by the proper authority of the county of employment as well as that of residence of the child (§12). The physician's certificate required of applicants for general employment certificates certifies only the "normal physical development" of the child, no longer its "normal development," and "employment tickets signed by the prospective employer stating the occupation, industry, and place" of employment, are a new requirement of applicants for such certificates (§13). The requirement

of a personal examination of applicants applies in future only to general, not to vacation certificates (§14), but the authority must now affirm papers on application for these latter (§15). Applications for certificates must be preserved in future for four years by certifying officers (§16). The age limit, at which females may work at employments requiring constant standing, is lowered from eighteen to sixteen (§23). The age at which boys may distribute or sell papers in the street is raised from ten to twelve, excepting that special licenses may be granted boys over ten to distribute papers on regular routes between 3:30 and 5 P. M. (§26). A deposit of not over 50 cents to cover cost of the badge may now be required of children holding permits to sell papers, to be returned on surrender of the badge, which must now bear the name of the child (§§29, 30). These permits now expire at latest one year after issuance (§31). The penalty is imposed for employing, permitting, or suffering a child to work, instead of only for employing a child, but the maximum fine is lowered to \$10 from \$50 (§38) as is that for retaining an employment certificate (§39). Employers who fail to keep on file certificates for children employed may be fined not more than \$10, formerly \$100 (§40). Interference with any officer enforcing the act is punished by a maximum fine of \$10 (the old law was \$200), or imprisonment for ten (formerly thirty) days (§42). The maximum fine of a public officer for not observing the act is lowered from \$100 to \$10 (§45). The fine for selling or furnishing goods to children for resale, contrary to law, is now \$50 (formerly \$200), and the imprisonment ten instead of thirty days; but the sale of goods at less than their "current retail price" is made *prima facie* evidence of knowledge that they were to be resold (§46). The enforcement staff is now four inspectors at \$1,000, three officers to issue employment certificates and act as inspectors, and one officer to act as inspector of street trades, all at \$1,200, instead of seven inspectors and one officer (§48). (C. 222. In effect, June 1, 1916.)

*Massachusetts.*—The peddler's license act as amended prohibits the granting of a permit to a minor to sell articles other than those which may be sold by a peddler without a license. (C. 242. In effect, June 21, 1916.) The child labor sections of the labor code of 1909 are amended to provide for "cooperative courses" which are defined to be courses "approved as such by the board of education and conducted in public schools in which technical or related

instruction is given in conjunction with practical experience by employment in a cooperating factory, manufacturing, mechanical, or mercantile establishment or workshop," and by making provision for special employment certificates for the pupils in such courses, which take the place of the ordinary employment certificates for children. (C. 95. In effect, April 3, 1916.) The existing law specifying educational qualifications of children to whom employment certificates may be issued is amended by providing that children over fourteen who are not able to read, write, and spell English as required for completion of fourth grade of public schools of their city or town may be granted employment certificates good for the summer vacation. These certificates are subject to all the provisions relating to the employment of children between fourteen and sixteen. (C. 66. In effect, March 22, 1916.)

*New Jersey.*—The commissioner of education and the commissioner of labor may grant "age and schooling certificates" to pupils who study part time in vocational schools established under Chapter 294, Laws 1913, to work in factories, workshops, mills, and all manufacturing places, if such pupils are above the age of fourteen years. Such children may be employed part-time in a factory, workshop, or mill designated by the board of education, and such employment will be considered as part of the child's schooling. Either commissioner may revoke the certificate at any time without assigning a cause. Nothing in this act may be construed to permit the employment of children more than eight hours a day or six days a week. (C. 242. In effect, March 21, 1916.)

*New York.*—It is made a misdemeanor for steam or electric railroads to employ in or about the operation of engines or trains, an engineer, assistant engineer, fireman, engine foreman, hostler, trainman, or flagman (excepting flagmen at crossings) who is unable to read the timetables and ordinary English handwriting, or unable to speak, hear, and understand English, or to see and understand signals. (C. 424. In effect, September 1, 1916.) The penal law respecting the employment of children actually or apparently under sixteen in exhibitions, etc., is amended by prohibiting the employment of such children in or in connection with the making of motion picture films, but this provision does not apply to such employment with the written consent of the mayor of the city or president of the board of trustees of the village where

"such exhibition" takes place. Where the application is for permits to employ a child in the making of motion pictures it shall provide that the child is to be employed only in manner prescribed and set forth in written statement accompanying the application. The applicant is required to file "a true and accurate statement in writing, setting forth and describing in detail the nature of part to be taken and age and every act and thing to be done and performed" by the child in the making of such film, either to the local officer having authority to issue the consent or to the Society for the Prevention of Cruelty to Children having jurisdiction in such place. (C. 278. In effect, April 24, 1916.) Sections 71 and 173 of the labor law, dealing with employment certificates for children, are amended by striking out the provision making certificates of graduation from a public school having a course of not less than eight years, or a school having an equivalent course, evidence of the age of an applicant for an employment certificate, also the provision making birth certificates conclusive evidence of the applicant's age, and the provision that the evidence of age shall be entered on the minutes of the board of health at a regular meeting by resolution and "shall be received" as sufficient evidence of the age of the child. In their place is inserted a provision that the commissioner of health or regularly authorized issuing officer of the health department may accept the evidence of age as sufficient and a record of the evidence shall be entered on the minutes of the board at its next meeting. The provision for physicians' certificates of age in cities of the first class is amended so that application for such certificates is required to be on file for sixty days instead of ninety days after date of application. The provision that the applicant for the employment certificate must appear before the issuing officer and that the officer must file a statement that the child can "legibly write simple sentences" is amended to read that the child can "write correctly such sentences." The most important change is the addition of a provision that if the evidence shows the child to be fourteen but not fifteen no certificate shall issue unless the child in addition to complying with the requirements of this section and producing his school record shall also present a certificate of graduation from a public elementary school or school equivalent thereto or parochial school or a pre-academic certificate issued by the regents or a certificate of the completion of an elementary course issued by the education



department. Instead of the certificate of graduation being evidence of age, it now becomes a condition for receiving a certificate of employment in the case of children under fifteen. (C. 465. In effect, February 1, 1917.)

*Rhode Island.*—Section 1 of Chapter 78 of the general laws relating to employment of children under sixteen years, as amended by Chapter 1358, Laws 1916, is amended by changing the requirement that no person shall employ such child unless the child presents to the employer an employment certificate, so that hereafter no person shall employ such child unless he has in his possession such employment certificate. The amendment also provides that the physical examination preceding the issuance of an employment certificate shall, for children residing in Providence, be made by one of two physicians to be appointed by the commissioner of public schools. These physicians are appointed for terms of three years and receive \$1,200 each annually. This relieves the state from the payment of a fee of \$1 for each physical examination made in the city of Providence. The amendment adds a new clause to the section providing that application and examination for the certificate may be made at any time, but it shall not be delivered until receipt of a written statement signed by an employer or his agent agreeing to employ the child in accordance with the provisions of law governing such employment, and upon termination of employment to dispose of the certificate as provided by this act. Certificates when issued are to be delivered to the employer and not to the child. In accordance with this latter requirement of the amendment there is dropped from the existing law the provision that the certificate was to be issued to the child, by him given to the employer, and surrendered to him when he left the employment. The amendment contains a new clause providing that within five days after termination of employment the employer shall return the certificate to the school committee which issued it, to be kept on file until the receipt of a similar signed statement that the employer will employ the child, subject to the provisions of this act. Chapter 1358 appropriates \$900 for the balance of the year 1916. (C. 1378. In effect, April 14, 1916.)

*South Carolina.*—The child labor law is amended by raising the minimum work age from twelve to fourteen in factories, mines, and textile establishments. (C. 361. In effect, January 1, 1917.)

*United States.*—No producer, manufacturer, or dealer may ship, deliver for shipment, or transport in interstate or foreign commerce any product (1) of a mine or quarry, situated in the United States, in which within thirty days prior to the removal of the product therefrom children under sixteen have been employed or permitted to work, or (2) of a mill, cannery, workshop, factory, or manufacturing establishment, situated in the United States, in which within thirty days prior to the removal of the product therefrom children under fourteen have been employed or permitted to work, or children between fourteen and sixteen have been employed or permitted to work more than eight hours a day, or more than six days a week, or after 7 P. M. or before 6 A. M. In the case of a dealer the application of the act is limited to shipment, delivery for shipment, or transportation from the state, territory, or district of manufacture or production. A prosecution and conviction for a shipment or delivery for shipment is a bar to any further prosecution of the same defendant for shipments or deliveries for shipment before the beginning of the first prosecution. No dealer is to be prosecuted who establishes a guaranty issued by and containing the name and address of the manufacturer or producer, if a resident of the United States, to the effect that the goods were not produced or manufactured under such conditions that their shipment, delivery for shipment, or transportation is prohibited by the act. If the guaranty contains any false statement of a material fact the guarantor is amenable to the same penalties as provided for other violations. No person is to be prosecuted if the only employment of a child has been that of a child as to whom, and in good faith, the manufacturer or producer procured at the time of employment and has since relied upon and kept on file a certificate showing that the child is of such age that the shipment, delivery for shipment, or transportation is not prohibited by the act. The certificate is to be issued in such form, under such conditions, and by such persons as prescribed by the board referred to below. Any person who knowingly makes a false statement or presents false evidence in or in relation to any such certificate or application therefor is amenable to the same penalties as provided for other violations. In any state designated by the board an employment certificate or other similar paper showing the age of the child, issued under the laws of the state, may be substituted for the certificate. Nothing in the act is to be construed to

apply to *bona fide* boys' and girls' canning clubs recognized by agricultural departments of the several states and of the United States. The Attorney-General, the Secretary of Commerce, and the Secretary of Labor constitute a board to make uniform regulations for carrying out the act. For the purpose of its proper enforcement, the Secretary of Labor, or any person duly authorized by him, may at any time enter and inspect mines, quarries, mills, canneries, workshops, factories, manufacturing establishments, and other places in which goods are produced or held for interstate commerce. The Secretary of Labor may employ such assistance for the purposes of the act as may from time to time be authorized by appropriation or other law. Every district attorney to whom the Secretary of Labor reports any violation or to whom any state factory, mining, or quarry inspector, commissioner of labor, medical inspector, or school attendance officer, or any other person presents satisfactory evidence of any violation, must cause appropriate proceedings to be commenced and prosecuted in the proper courts of the United States for the enforcement of the penalties for such violation. Any person who ships, delivers for shipment, or transports any goods in violation of the act, or refuses or obstructs entry or inspection authorized by the act, is liable to a fine of not more than \$200 for each offense prior to his first conviction under the act, and to a fine of \$100-\$1,000, or imprisonment for not more than three months, or both, for each offense subsequent to such conviction. (C. 432, 64th Congress, 1st session. In effect, September 1, 1917.)

### 3. REGULATION

#### (1) GENERAL

*Kentucky*.—For rules for prevention of accidents by the Kentucky Employees' Insurance Association, see "Social Insurance—Workmen's Compensation," p. 309.

#### (2) FACTORIES, WORKSHOPS, AND MERCANTILE ESTABLISHMENTS

*Kentucky*.—The act creating the state insurance board and providing for a state fire marshal appointed by the state auditor for a term of four years, makes it the duty of the fire marshal to enforce all laws and ordinances relating to the inspection of property for the prevention of fire, the promotion of the safety of persons in case of fire, fire escapes, and other means of exit. He shall call

individuals or committees of various organizations to advise him in making regulations in regard to safety from fire. In cities the chief of the fire department must inspect buildings to correct any conditions liable to cause fire, or violations of fire prevention laws. This inspection must be made once every six months and every three months in the fire limits. "Every owner or other person having charge of or control over any building" must construct and keep his building safe from injury or loss of life by fire, and shall not permit any employee to be in an unsafe place. He must use reasonable safeguards against fire and "processes and methods" reasonably adequate to render all places in his building safe. The fire marshal has supervision of every building to see that all laws, ordinances, and orders requiring safety are complied with. He may prescribe the proper safeguards and fix reasonable standards of safety for the installation of equipment or construction of buildings. Provision is made in the law for a hearing before general safety orders are made and a penalty is fixed of \$10-\$500, or thirty days' imprisonment, or both, for any owner, occupant, or other person having control of a building who violates or fails to comply with the law or an order of the marshal. (C. 19. In effect, June 13, 1916.)

*Louisiana.*—It is a misdemeanor for any corporation or other employer, or for any officer thereof, knowingly to fail to provide proper safeguards on machinery or knowingly to permit defective machinery to remain in a place where working men are employed. Penalty, \$10-\$500. (No. 146. In effect, July 28, 1916.) The governor is authorized to appoint an unpaid commission to examine the uniform boiler code of the American Society of Mechanical Engineers and report to the assembly of 1918 whether it should be accepted. (No. 276. In effect, August 1, 1916.)

*Massachusetts.*—In mercantile or manufacturing establishments where the nature of the work makes it necessary for employees before beginning work "to make a substantially complete change of clothing exclusive of underclothing," separate lockers or other receptacles with locks shall be provided. The state board of labor and industries is to investigate and enforce this act. Penalty, \$5-\$20 for each offense. (C. 115. In effect, May 8, 1916.)

*Mississippi.*—"Canning factories canning farm produce" are added to the establishments exempted from the requirements of registration and license. (C. 95. In effect, April 6, 1916.)



*New Jersey.*—Within two years after the act takes effect passenger elevators must be furnished with an interlocking device automatically preventing movement of elevator car until shaft door is closed and securely fastened. Such devices in a building under the jurisdiction of the labor department shall be subject to the commissioner's approval. In other buildings such devices shall be approved by the commissioner of labor except in municipalities, where the approval of a regularly appointed building inspector shall be sufficient. The commissioner or building inspector is to enforce the act by an order fixing the time for compliance. Penalty, \$100 and an additional \$10 for each day after the expiration of the time limit fixed in the order, until compliance. "Such penalties shall be cumulative and more than one penalty may be recovered in the same action." Where the building inspector enforces the act, fines go to the municipal treasurer; all other fines shall be sued for by the state commissioner of labor and remain with the state treasurer. Proceedings for the penalty are to be by action for debt in the name of the commissioner or building inspector, brought in the district or recorder's court or before a justice of peace by summons returnable in not less than five days nor more than ten. The act contains detailed provisions for method of service where owners do not reside in the county, and on corporations. Proceedings are to be as in actions of debt and the court's finding is to be that the defendant has or has not incurred the penalty, and judgment given accordingly. (C. 260. In effect, March 22, 1916.)

*New York.*—The present labor law defining fireproof construction is amended by permitting, in certain restricted instances, plate glass windows not less than one-quarter inch in thickness, no light of which shall exceed 720 square inches, in place of fireproof windows. (C. 62. In effect, March 21, 1916.) Section 83-a of the labor law, which requires a fire alarm signal system and fire drill in certain factories, is amended by excepting buildings in which every square foot of floor area on all stories is protected with an automatic sprinkler system having two adequate sources of water supply approved by the public authorities and in which the maximum number of occupants on any floor does not exceed by more than fifty per cent the capacity of the exits. (C. 466. In effect, May 9, 1916.)

*Rhode Island.*—Section 5 of Chapter 78 of the general laws, as

amended by Chapter 701 of the public laws of 1911, is amended by providing that automatic sliding gates on freight elevator shafts instead of being six feet as required at other floors may, on top floor, be not less than four feet in height. The provision of the old law that such gates should slide "vertically upward" is dropped by the amendment. The amendment adds at the end of the section a provision that it does not apply where the elevator is equipped with a suitable device to prevent the movement of the car until the elevator shaft or gates are closed, as provided for passenger elevators. (C. 1351. In effect, March 25, 1916.)

*Virginia.*—Washrooms and toilets for workmen in foundries are required, at least one washbowl and one commode for every six moulders, to be connected with the shop and shielded from the weather and to be provided within thirty days after notification by the proper officer. Penalty, \$10 for each day after thirty days after notification. (C. 515. In effect, June 12, 1916.) The act requiring fire escapes on three story buildings is amended to provide that if the local officers have not before July 1, 1916, selected the proper character and design of the required fire escapes, the commissioner of labor shall give sixty days' notice of his intention to prescribe for them, and if at the expiration of the sixty days the local authorities have not taken action he shall prescribe and publish regulations governing the erection, character and design of adequate fire escapes. The owners whose fire escapes have been approved by the local officers shall not be compelled to change them unless they are inadequate. This act shall not apply to cities having a board or committee on public safety. (C. 514. In effect, June 12, 1916.)

### (3) MINES

*Virginia.*—Section 13 of the coal mine act of 1912 is amended to include the owner among those who must employ a mine foreman to keep watch on ventilating apparatus; and the provision making it the duty of each miner to prop and secure his place, and prohibiting his working unless he has sufficient props and timbers, is omitted and a provision substituted prohibiting a miner continuing to work in a working place "known by him to be unsafe," or which, with ordinary care, he might have so known, but the happening of an accident shall not in itself be held to be evidence of such knowledge or lack of ordinary care on his part or of negligence on the part of the company. (C. 458. In effect, June 12, 1916.)

## (4) TRANSPORTATION

*New York.*—For educational and physical requirements for certain railroad employees, see "Safety and Health—Prohibition—Exclusion of Persons," p. 294.

*United States.*—Section 14 of the seamen's act, which required twelve buoys for all vessels under 400 feet in length, is amended by requiring for vessels under 100 feet in length, two buoys, for vessels 100 feet and less than 200 feet in length, four buoys, of which two shall be luminous, and for vessels 200 feet and less than 300 feet in length, six buoys, of which two shall be luminous, and for vessels 300 feet and less than 400 feet in length, twelve buoys, of which four shall be luminous. The requirements for vessels 400 feet and more in length are unchanged. (C. 141. 64th Congress, 1st session. In effect, June 12, 1916.)

## VIII. SOCIAL INSURANCE

Congress passes a compensation law covering for the first time all federal employees, with a scale of benefits equal to those in such states as California, Massachusetts, New York, Ohio, and Wisconsin, and administered by a commission; an appropriation of \$550,000 is made for the first fiscal year. Kentucky and Porto Rico also enact workmen's compensation laws, making thirty-five states and territories to adopt such legislation since 1911. Massachusetts reduces the waiting period for compensation from two weeks to ten days; New Jersey establishes a workmen's compensation aid bureau in the labor department to assist in administering the law; New York adds several new occupations to those covered by the act, provides for elective acceptance in non-hazardous callings, allows awards for facial or head disfigurement, and slightly increases the compensation scale at certain points. Two southern states, South Carolina and Virginia, establish employers' liability laws with regard to railroads. Massachusetts creates a social insurance commission to investigate and to recommend bills to the legislature of 1917.

## I. INDUSTRIAL ACCIDENT INSURANCE

## (1) EMPLOYERS' LIABILITY

*South Carolina.*—"Every common carrier by railroad while engaged in commerce within the state of South Carolina" must pay

damages to any employee injured while employed in such commerce, or in case of death to the personal representative for the benefit of the surviving widow or husband and children; if none, of the parents, and if no parents, of the next of kin, for injury or death "resulting in whole or in part from the negligence of any of the officers, agents or employees of such carrier, or by reason of any defect or insufficiency, due to its negligence," in its cars or roadbed, boats or other equipment. The jury may give damages which they think proportioned to the injury or injuries resulting from death to the persons for whose benefit the action is brought, and the amount recovered shall be divided among the persons entitled according to the law of intestate succession. Contributory negligence shall not bar a recovery but the jury shall diminish the damages in proportion, except where violation by the common carrier of a statute for the safety of employees contributed to the injury; nor in such case can an employee be held to have assumed the risk of employment. Any contract or other device to exempt a common carrier from a liability created by the act shall be void to that extent; but a carrier may set off any sum it has "contributed or paid to any insurance, relief benefit or indemnity" that may have been paid to the injured employee or the person entitled on account of injury. An action must be begun two years from the day on which the cause of action accrued, and there shall be only one recovery for the same injury. A right of action given by the act to an injured person shall survive to the personal representatives for the benefit of the surviving widow or husband, or children, and if none, his parents, and if none, his next of kin. The remedies of this act are to be held in addition to and cumulative of existing remedies and nothing in the act shall limit the duty of common carriers or impair the rights of their employees under any other law not inconsistent with this act. (C. 557. In effect, April 14, 1916.)

*Virginia.*—Common carriers whose motive power is steam, engaged in intrastate commerce, are liable to all damages to employees from injuries, or their personal representatives for death, resulting from the negligence of its officers or servants or the insufficiency or defect "due to its negligence" of its roadbed or equipment. Contributory negligence shall not bar a recovery, but damages shall be proportionately diminished, except where the violation by the carrier of a law for the safety of employees contributed to the injury, nor in such



a case shall the employee be held to have assumed the risk of employment. Any contract or other device to free a carrier from the act shall be void, but a carrier may set off any sum it has "contributed" to a benefit received by the employee for the injury. "Common carrier" does not include railroads used incidentally to coal, gypsum, or iron mines, or saw mills, or owned by a county. A cause of action under an act of Congress may be joined in pleading with one under this act "without the plaintiff being required to elect under which statute he claims." The law does not apply to "electric railroads or roads in part electric." (C. 444. In effect, June 12, 1916.)

## (2) WORKMEN'S COMPENSATION

*Kentucky.*—An elective system of workmen's compensation is provided for all employers of five or more employees "regularly employed in the same occupation or business," except "domestic employment, agriculture, steam railways" or other common carriers "for which a rule of liability is provided by the laws of the United States." The act gives compensation for "personal injuries sustained . . . by accident arising out of and in the course of . . . employment," or for death resulting therefrom, but not including disease except as it is "the natural and direct result of a traumatic injury by accident," and expressly excluding "the results of a pre-existing disease." Employers of less than five employees may jointly with their employees "subject themselves" to the act by application to the board for a period stated in the application and until a written revocation be filed. "Employer" includes "municipal corporations and any political subdivision or corporation thereof," but the act shall not "interfere" with existing benefit or pension funds. No compensation shall be given when the injury or death is caused by "a wilful self-inflicted injury, wilful misconduct or intoxication of the employee." If the "intentional failure" of the employer to comply with a statute in regard to safety appliances causes the accident "in any degree," compensation is increased 15 per cent, and it is diminished 15 per cent if so caused by failure of the employee to observe safety rules as to use of safety appliances. The guardian or representative of a minor killed during employment in wilful and knowing violation of the child labor law by his employer, may either sue for damages or claim

compensation. The employer must provide necessary medical, surgical, and hospital treatment, including nursing and supplies, at the time of the accident and during disability for not over ninety days, unless the board extends the time, but in no case costing over \$100. Hernia if it did not exist before the accident is specially provided for, and \$200 may be spent on one operation. Death from hernia within one year (the usual limit is two years) or from the operation, are compensable unless the employee unreasonably refuses an operation. The board may, in the interest of the employer, change the attending physician "or other requirement," and an important paragraph frees the employer from all liability for improper medical treatment. Fees may be regulated by the board, and are limited to reasonable charges on the basis of those paid by "persons of like standard of living." No compensation shall be paid for death or disability caused, aggravated, or continued by unreasonable refusal or neglect to submit to follow medical advice or surgical treatment. The waiting time for cash compensation for disability is two weeks, and compensation is payable on the regular payday of the employer. Saving an agreement to the contrary, accidents out of the state to employees hired in the state are under the act. "Contracting out" of the act is not permitted. If a third person is liable for damages, the employee may sue either him or the employer or both, but can only recover from one, and if he recovers from the employer, the employer may recover from the third person the amount of compensation. Contractors are jointly liable for compensation with subcontractors if the injury occurred on premises under the contract, but may recover payments from subcontractors. The compensation for death is burial expense up to \$75, and \$100 more to the personal representatives if there are no dependents; if there are one or more wholly dependent persons, 65 per cent of the weekly earnings, but not less than \$5 or over \$12 a week, during dependency for a period between date of death and 335 weeks from the date of the accident, and not over \$4,000; if there are partial dependents, a payment for the same period and with the same maximum of "such part of what would be payable for total dependency, as the partial dependency . . . at the time of the accident . . . may be proportionate to total dependency." Partial dependency shall be determined by the proportion

of earnings contributed during the year preceding the accident, or if the relation did not exist a year, it shall be fixed by the board. A wife is "presumed" dependent on a husband, and incapacitated husbands on wives, whom they have not voluntarily abandoned; children under sixteen, or over sixteen if incapacitated, on parents with whom they are living or by whom they are supported, all at the time of the accident. In other cases dependency depends on the facts at the time of the accident, but no one shall be considered a dependent unless he lived in the house of the employee at that time. or was a father, mother, husband, wife, father-or mother-in-law, grandfather, grandmother, child, grandchild, brother, or sister. Compensation ceases on death or marriage, and then the share of other dependents is that which they would have received had they been "the only persons entitled to compensation at the time of the accident." Payments made in good faith to putative dependents are protected, and power is given to the board to decide who are dependents, with appeal to the court. Compensation for total disability is 65 per cent of weekly earnings, but not less than \$5 or over \$12 a week for not over eight years from the date of the injury, not to exceed \$5,000, and certain disabilities are deemed total and permanent. For temporary partial disability, the compensation is 65 per cent of the difference between average weekly earnings before and during disability, for not more than 335 weeks after the injury, not over \$12 a week, or in all \$4,000. There is a schedule of the number of weeks' compensation given for certain enumerated injuries; for other cases of permanent partial disability, including disfigurement, 65 per cent of the weekly earnings, but not less than \$5 or over \$12, is multiplied by the percentage of disability to find the weekly compensation which shall be paid for a period determined by the board, but not longer than 335 weeks or over \$4,000. If the weekly compensation is less than \$3 "the period may be shortened and the payments correspondingly increased to that amount. An employee shall have no right to compensation during refusal to accept reasonable work. In case of subsequent injury, the compensation shall be that to which the result of both injuries entitled the employee, less the compensation allowed by the law for the prior injury. The board may review and modify or revoke any order "ending, diminishing or increasing" compensation. Alien

non-resident dependent widows and children get one-half compensation, which the employer may commute at any time; no compensation shall be given alien non-resident widowers, parents, brothers, or sisters. "Compensation shall be computed at the average weekly wage . . . at the time of injury" on full time, except that if an employee is doing a higher grade of work with higher wages than formerly during the year only "such higher grade of work shall be considered." Commutation may be allowed by the board, after six months' compensation, by payment of "the total sum of probable future payments . . . discounted at 5 per cent per annum on each payment," and may be ordered paid to a trustee. Death benefits shall be paid to one dependent for the benefit of all. Rights to compensation have the same priority against assets as claims for wages and claims are not assignable and are exempt from creditors. Notice of accident must be given to the employer "as soon as practicable," and a claim made within a year from the date of the accident, or of death, or a claim cannot be maintained unless the employer had knowledge or there was reasonable cause. The employee at the request of his employer or of the board must submit to medical examination after an injury and during compensation, subject to loss of compensation during refusal. A workmen's compensation board is created to administer the act, consisting of three members appointed by the governor for four years at \$3,500 a year. The board may appoint and remove necessary assistants, including "a physician and surgeon" as medical director at \$3,000 and a secretary at \$2,500. It must meet at least once every two weeks on a fixed day, and must report annually to the governor. The state is divided into three districts; one member of the board, to be appointed from each district, must have "office hours" at least one day a week in his district. Procedure shall be "as summary and simple as reasonably may be." Agreements for compensation are not final until filed with the board, and if there is no agreement or payments are not made under an agreement the board shall hear and determine the issue at the request of either party, but may attempt to settle differences at an informal conference. An appeal may be made within seven days to the full board from decisions of less than the full board. Decisions of the board are final as to facts, but an appeal on law may be made to the courts. Awards may be filed in the county court, and judgment issued thereon. The board may



appoint a physician to make medical examinations at not over \$10 a day. All physicians', attorneys', and hospital fees are subject to the approval of the board and the maximum attorney fee is fixed. Employers subject to the act must keep a record of all injuries and must report to the board injuries causing absence from work of over one day; disabilities must also be reported at their termination, and at sixty days if they last so long; penalty, \$25. Fraudulently procuring or aiding to procure compensation, or inducing another to receive less compensation than due, is a misdemeanor punishable by a fine of \$50-\$500, or imprisonment of ten to ninety days. The act provides for compulsory insurance either in a corporation or association or by self-insurance if permitted by the board, on deposit of security; and the filing of evidence of being insured, under penalty of being liable as if the employer had refused to accept the act. Certificates revocable for cause shall be issued to self-insured employers and employers are authorized to form mutuals either "among themselves or with employers in other states," which the board may require to reinsure in a company. Employers and employees, subject to the revocable consent of the board, may agree on a system of benefits in lieu of compensation, if the benefits equal those of the act and if additional benefits are given commensurate with any contribution of the employee. Agreements by employees to pay part of the premium are invalid, and the "retaining thereof from wages is a misdemeanor punishable by fine of not over \$100." All insurance policies must provide that knowledge of the employer is knowledge of the insured, that compensation will be paid direct to the employee and may be sued for by him, must cover the employer's whole liability for compensation, and must be made in a form approved by the insurance commissioner, subject to appeal to Franklin County court. Rates must be fair and adequate, the same for the same risk, and if not approved by the board the policy is void. Carriers must report to the insurance commissioner. Election of compensation both by employer and employee must be made by filing a specified certificate, the employer's with the board, the employee's with the employer, and may be withdrawn in the same way. The employer must also post a notice. Employers not electing lose the benefit of the fellow servant, contributory negligence, and assumption of risk rules, and non-electing employees of an employer who has elected may sue for damages, but are subject to

those defenses. A tax of 4 per cent on premiums and on the probable premiums of self insurers is laid to cover the salaries and expenses of the board; this to be in lieu of all other taxes, and carriers must make returns, subject to a fine for wilfully false and fraudulent statements of \$100-\$1,000, or imprisonment of ten to ninety days, or both. The Kentucky Employees' Insurance Association is created as a corporation, to be controlled by fifteen directors, three appointed by the governor, the rest elected by the subscribers. Any employer may subscribe, but no policy shall be issued till fifty employers of 5,000 employees have subscribed. Subscribers shall be divided into risk groups. Contingent liabilities and assessments are provided for, but they and the premiums are subject to the approval of the insurance commissioner. The directors shall make rules for the prevention of injuries, subject to appeal to the board, and their inspectors shall have free access to subscribers' premises. The rule of strict construction is not applicable, and the invalidity of any part shall not invalidate the whole act. (C. 33. In effect generally, August 1, 1916; as to the appointments and duties of the board, April 1, 1916.)

*Louisiana.*—Certain sections of the workmen's compensation law of 1914 are amended. Permanent partial disability is now compensated "during a period of *disability* not exceeding 300 weeks" instead of "during a period not exceeding 300 weeks." The payments for schedule injuries are for a fixed number of weeks instead of "during not more than" the same number of weeks in each case, and the clauses prohibiting payment under more than one clause of the permanent partial disability subsection, including the schedule, or "after the employee is able to earn as much as he did before the accident" are omitted. In cases in which the employee is "seriously permanently disfigured about the face or head, or where the usefulness of a member or any physical function is seriously permanently impaired" the court may allow "such compensation as is reasonable in proportion to the compensation" in the schedule, "not to exceed 50 per cent of wages during 100 weeks." Permanent total disability is compensated "for the period of *disability* not exceeding 400 weeks" instead of "a period not exceeding 400 weeks." The confused section fixing compensation for death is rewritten but the scale is not materially affected. In the old law, apparently, if there were dependents and partial dependents they all received compensa-

tion, but the total could not be more than 50 per cent of the wages. The amendment provides for classes of dependents and grants compensation to the less privileged classes only if there are no members of a more privileged class. The old law provided that "the marriage and death of any dependent shall terminate all payments as to such dependent, but shall not affect payments allowed other dependents." The new law provides that if the compensation payable to any person ceases, "the compensation to the remaining persons entitled thereunder shall thereafter be the same for the unexpired part of the period during which their compensation is payable as would have been payable to them had they been the only persons entitled to compensation at the time of the death of the deceased." The former conclusive presumption of the dependence of a wife upon a husband with whom "she was living at the time of the injury and whom she has not abandoned for cause at the time of his death," of a husband incapacitated from wage-earning "upon a wife with whom he was living at the time of her injury," and of a child or children upon a parent with whom they "are living at the time of the injury" is omitted, and instead compensation is to be given to a widow who is "living with her husband at the time of his death or was then actually dependent upon him for support," to a widower incapable of self-support at the time of his wife's decease and at that time dependent upon her for support, and to children if members of the decedent's family at the time of his death. A child is defined to cover posthumous children, legitimate or acknowledged illegitimate children, adopted and step-children instead of as in the old law "a lineal descendent or legally adopted child." The term "average weekly wages" is changed to "wages" and "wages" are defined as "the daily rate of pay at which the service rendered is recompensed under the contract of hire in force at the time of the accident." The former limit of the first two weeks after the injury as the period for the furnishing of medical aid is omitted and the limit of \$100 is raised to \$150. Notice of injury may be given within six months after "the day of injury or death" instead of "fifteen days after the accident" or thirty days after death, and the provision that there must be a claim or payment within six months after the date of injury or death is omitted. A new provision is added to permit the court to require a bond from an employer against whom a judgment has been rendered if there is "reasonable

room for uncertainty" as to his financial responsibility and he has not taken out insurance under the act, thus taking a long step towards compulsory insurance. (No. 243. In effect, August 1, 1916.)

*Maryland.*—The workmen's compensation law is amended by adding a definition of mining in addition to describing what is generally included in the term, and by providing that a mine worker shall be deemed to be wholly employed in Maryland and entitled to the benefits of the act "if the tippie, mouth or principal mine entrance" is in the state, notwithstanding the employee is killed or injured while working in a shaft, heading, slope or other subterranean tunnel at a point which is within the lines of another state. (C. 86. In effect, June 1, 1916.) Another amendment provides that alien dependent widows, children, and parents, not residents of the United States, may receive the same compensation as is provided for residents; but that at any time within a year after an accident resulting in death the commission may convert the payments thereafter due to such beneficiaries into a lump sum, "not in any case to exceed \$2,400, by paying a sum equal to three-fourths of the then value of such payments." The alien dependents may be represented by the consular officers of their nation, and the receipt given by such officers shall be a full discharge of all sums paid to and received by them. (C. 368. In effect, June 1, 1916, but "its application as between employers and employees shall date only from" November 1, 1916.)

*Massachusetts.*—The salary of the present secretary of the industrial accident board is fixed at \$4,000, that of his successors at \$3,000. (C. 275. In effect, June 1, 1916.) The workmen's compensation law is amended by providing that the report of a physician appointed by the industrial accident board to examine an injured employee shall be admissible in evidence in a proceeding before the board or a committee of arbitration, provided the employee and insurer have "seasonably" been furnished with copies (C. 72. In effect, March 23, 1916), and by reducing the waiting period from two weeks to ten days and by adding the provision that when compensation has begun it cannot be discontinued except by the written assent of the employee or on the approval of the industrial accident board or a member thereof. It is provided that the compensation shall be as for partial incapacity if the employee in fact earns wages at any time after the original agreement as to his compensation is



filed. (C. 90. In effect, January 1, 1917.) Mutual liability companies authorized to do business in the state may, with the insurance commissioner's approval, exercise the rights and privileges relating to transaction of workmen's compensation insurance business which are by law vested in the Massachusetts Employees' Insurance Association; and the state association, with the approval of the commissioner, may exercise, inside or outside the state, the rights and privileges vested in domestic mutual liability companies under general laws and be subject to all the laws "now or hereafter in force" relating to such companies. (C. 200. In effect, May 12, 1916.) An amendment was made in Chapter 807, Laws 1913, to make it clear that it applies only to persons in public employment and does not limit the compensation act entirely to certain public employees. (C. 307. In effect, June 2, 1916.)

*New Jersey.*—A "workmen's compensation aid bureau" is created in the department of labor, whose officers and employees shall be appointed by the commissioner of labor under civil service laws. It shall observe the operation of the workmen's compensation law and of workmen's compensation in other states and countries and report annually to the legislature suggestions for improvement of the act and for its efficient and economical operation. On notice of an accident involving the injury or death of an employee, the bureau shall immediately endeavor to ascertain the cause of and the facts relating to the accident and preserve same for the court in which the "cause may be heard, when required." The employer shall file in the bureau a copy of any agreement settling compensation, which shall not be "conclusive" unless approved by the bureau. If no approved agreement be filed within twenty-one days after an injury, the bureau shall attempt "so far as practicable" to bring about a settlement. If the employer or insurer delay settlement the bureau may "certify a state of facts relating to the claim" to the judge of the county court unless the injured employee or his dependents begin proceedings for recovery. The state of facts so certified shall be filed by the clerk and operate as a petition. The judge may assign counsel to represent the petitioner and the case shall be heard and determined as other workmen's compensation cases. If the court finds the employer or the insurer without reasonable excuses for delay, then the reasonable expenses of the employee or his dependents caused by such delay, including medical and legal services

and loss of time while prosecuting his claim, shall be assessed against employer or insurer as a penalty. The amount of compensation for legal services shall be determined by the court in all cases. The act says that \$25,000 is "hereby appropriated when included in whole or in part in any annual or supplemental appropriation bills." (C. 54. In effect, March 15, 1916.)

*New York.*—Municipal and finance law is amended by providing that contracts for public work to which a municipality or the state is a party, and on which the employees are required to be insured under the workmen's compensation law, shall stipulate that the contract shall be void unless the person performing it shall "secure compensation for the benefit of and keep insured" during the contract all such employees. (C. 478. In effect May 9, 1916.) The workmen's compensation act is extensively amended. A number of new industries and employments are specifically added to the list of hazardous employments to which the act applies. The act is specifically made to apply to any enumerated employment carried on by the state or a municipal corporation or other subdivision of the state. Employers and employees, not engaged in a listed occupation, may jointly elect to be subject to the act. The employer elects by posting notice and filing a statement with the commission; an injured employee is deemed to have accepted if he has not at the time of entering into his contract or within twenty days of the employer's election given notice in writing to the contrary and filed a copy with the commission. The rights and remedies of such employer are the same as if they were in an occupation under the act. The employer may revoke his election at the end of any year by filing a notice with the commission sixty days prior to the expiration of such year. The definition of "employee" is extended so that it includes persons in the service of an employer "whose principal business" is that of carrying on hazardous employment. Formerly the employee must have been "engaged in a hazardous employment." The definition of "child" is made to include a dependent stepchild. The compensation liability is expressly stated to be "in place of" any other liability to the employee, his personal representative, or any one else entitled to recover damages at common law or otherwise on account of his injury or death. For serious facial or head disfigurement the commission is authorized to award such compensation as it deems equitable, not exceeding \$3,500. For permanent

total disability sustained after partial disability the employee is entitled to receive after the end of the payments for partial disability "such additional compensation" for life in amount of 66 2-3 per cent of average weekly wages at time of total permanent disability. This additional compensation is payable from a special fund created by a requirement that insurance carriers shall pay to state treasurer \$100 for every case of death in which there is no person entitled to compensation. The state treasurer shall be custodian of this fund, subject to its distribution by the industrial commission. Unless required by the commission it shall not be necessary to secure the appointment of a guardian to receive the compensation of a minor child. The compensation for each dependent parent or grandparent is increased from 15 to 25 per cent. The provision that compensation to non-resident aliens shall be the same as that to residents is amended by a provision that non-resident dependents are to be limited to surviving wife or children, or, if none, to surviving parents or grandparents whom the employee has supported at least in part for one year prior to accident. By dropping a qualification the commission is now permitted to certify to the appellate division questions of law as well where the claim is against the state fund as in other cases. The provision authorizing appeals from the commission's decision is changed so that hereafter appeal to the court of appeals may be taken where the decision of the appellate division is not unanimous and where the decision is unanimous by the consent of the appellate division or a judge of a court of appeals. The amount of a payment in default for ten days is to constitute a liquidated claim for damages against the employer as well as against the carrier. In case of default for thirty days a certified copy of commission's award may be filed with the county clerk and judgment "must be entered in the supreme court" by the clerk immediately on such filing. No fees are required for filing any paper under this section. When the present value of future payments is deposited with the commission an additional sum necessary to administer such deposit may be required. These deposits shall be kept separate and are not liable for expenses of administration of the fund generally. It is noticeable that in many instances the term "workman" is dropped and "employee" substituted. A provision is inserted to permit, with the consent of the commission, the exercise by minor dependents of their preference of remedy where an em-

ployee is killed by the negligence of one not in the same employ. The provision requiring employers to submit to the commission a copy of their proposed policy of insurance is changed so that information required by the commission regarding the policy is to be filed, instead of a copy of the policy. Failure to secure payment of compensation is made a misdemeanor and the legal representative of dependents as well as the employee and his dependents may sue for damages. The amendment authorizes insurance carriers to include in a policy "employers who perform labor incidental to their occupations" in the same policy with their employees; compensation to such employers to be at the same rates as in the case of their employees. The estimate of the employer's wage value must be reasonable and separately stated for computation of premium. As soon as practicable after July 1, 1917, and annually thereafter, the industrial commission is required to ascertain its expense during the preceding fiscal year in connection with the administration of the workmen's compensation law and shall assess insurance carriers, including the state fund, the proportion of such expense that the total compensation paid by such carrier bears to total compensation by all carriers. The amount so collected shall be transferred to the state treasurer as reimbursement. Under the old law, surplus or reserve funds in the state fund were to be invested in savings bank investments. This provision is dropped and in its place the commission, by a resolution approved by the superintendent of insurance, is authorized to invest such funds in securities in which deposits of insurance corporations may be invested, or in the public stocks or bonds of any state, or mortgages on New York real estate worth 50 per cent more than amount loaned. The commission is required to report to the superintendent of insurance concerning the state fund in the same manner as mutual liability and compensation companies under the insurance law, and the superintendent may examine the fund at any time to determine condition of investment and adequacy of reserves. (C. 622. In effect, June 1, 1916.)

*Porto Rico.*—Porto Rico now has an elective compensation act with the usual "club," the taking away of the defenses of contributory negligence, fellow-servant and assumption of risk from the employer who does not elect. Another defense, that the injury was caused by the negligence of a contractor, is also taken away, unless the contractor is insured under the act. The act covers personal injury



by accident arising out of the employment and during the course thereof, and death within a year from such injury. Farm laborers "not employed to work with machinery" driven by mechanical power, domestic servants, employees in electrical work, "in offices and in commercial establishments where machinery is not used," or where if used the accident does not occur while it is being used, and employees of railroads subject to the federal employers' liability act, are excluded. The act does not apply to employers of less than five workmen regularly or to workmen receiving more than \$1,200 a year. Necessary medical attendance and medicines or food supplies prescribed by the commission must be supplied for not over eight weeks of disability, but no medicine or food may be given after compensation is allowed. The weekly cash benefit for a temporary injury is three-fourths of the weekly wages, but not under \$3 or over \$7 during disability, but not longer than 104 weeks. For permanent total disability the injured workman shall be paid \$1,500 plus an allowance for a maximum of 208 weeks of three-fourths his average weekly wages, but not under \$3 or over \$7. The death benefits to legal heirs dependent exclusively on the earnings of the deceased are burial expenses not over \$40 and the balance of the sum the injured man was entitled to receive for permanent total disability. The commission may determine the manner, time and proportion of payments to the heirs. Benefits shall not be paid if the injuries were received when the workman wilfully intended to commit a crime, voluntarily brought the injury on himself, was trying to injure another person, was intoxicated, or if the injury was caused by the unlawful criminal act of a third person or the gross negligence of the workman. The injured man must submit to medical examination during disability, subject to loss of benefit during refusal. A workmen's relief commission is created, with five members, three *ex officio* and two appointed by the governor with the approval of the executive council, for four years, paid \$5 a day from the trust fund for each day the commission is in session. The commission may make rules and regulations and impose fines for their violation of not over \$50 for each offense. Employers must report accidents to the bureau of labor, subject to a fine of \$25-\$50. On receipt of notice from any source of an accident the bureau shall investigate and report to the commission which itself has full power to investigate. The commission passes on claims for compensation

subject to a right of appeal to the courts by the workman or by any contributing employer on the sole ground that the accident is or is not one for which relief should have been granted. The commission must group all occupations in one of five classes, in accordance with the risk, and fix rates of premiums based on payrolls. The treasurer of Porto Rico collects the premiums and pays benefits on the order of the commission. \$25,000 is appropriated for the fund to be repaid whenever possible. The employer must pay the whole premium. Rejection of the act by the employer is made by filing a written statement with the commission. An employer not rejecting must post a notice that he is a contributor, and his employees can reject only by serving a notice on him and filing it with the commission. Premiums paid for rejecting employees may be refunded. Any employee may waive compensation and sue where his injury was caused by the wilful act or criminal negligence of the employer, and the commission is subrogated to the rights of an employee who has received relief, against third persons or against an employer whose wilful or criminal act caused the injury, and shall pay the damages recovered into the fund. Contracts between injured workmen and attorneys for fees are void if not in writing and approved by the court and in any case if they are for more than 30 per cent of the sum recovered. (No. 19. In effect, April 13, 1916, except that it applies only to accidents occurring after July 1, 1916.)

*United States.*—The existing laws as to compensation of injured federal employees are entirely superseded by a new act, which provides for disability or death of a civil employee of the United States resulting from personal injury sustained in the performance of his duty, unless caused by his wilful misconduct, by his intention to bring about the injury or death of himself or of another, or by his intoxication. Medical, surgical, and hospital services and supplies are allowed for a reasonable time and in reasonable amount. For total disability the act allows 66 2-3 per cent of the monthly pay at the time of the injury during the continuance of disability, not to exceed \$66.67 a month, and not less than \$33.33, unless the employee's pay is less than \$33.33, in which case compensation is full pay. For partial disability is allowed 66 2-3 per cent of the difference between the monthly pay at the time of the injury and the monthly wage-earning capacity after the beginning of the partial

disability, not to exceed \$66.67 a month. If the employee refuses to seek suitable work or refuses to work after suitable work is furnished to or secured for him by the United States, compensation ceases. No compensation is allowed for the first three days of disability, except medical, etc., services and supplies. If the employee has unused annual or sick leave he may, subject to the approval of the head of the department, substitute it for compensation until used up. In case of death, burial expenses up to \$100 are allowed, and, in the discretion of the commission which is created to administer the act, the body may be transported home. The following compensation is also allowed: To the widow, if no child, 35 per cent of the monthly pay of the deceased employee, until death or marriage; to the widower, if no child, 35 per cent if wholly dependent, payable until death or marriage; to the widow or widower, if there is a child, the above amounts and in addition 10 per cent for each child not to exceed a total of 66 2-3 per cent for the widow or widower and children; to the children, if no widow or widower, 25 per cent for one child and 10 per cent additional for each additional child not to exceed a total of 66 2-3 per cent; (compensation on account of each child ceases when he dies, marries, or reaches 18, or, if over eighteen and incapable of self-support, becomes capable of self-support); to the parents, 25 per cent for one wholly dependent and 40 per cent if both are wholly dependent, and a proportionate amount if partly dependent; (these percentages are paid if there is no widow, widower, or child; otherwise the parents receive so much of these percentages as, when added to the total percentages payable to widow, widower, and children, will not exceed total of 66 2-3 per cent); to brothers, sisters, grandparents, and grandchildren, 20 per cent if one is wholly dependent and 30 per cent if more than one; if no one is wholly dependent and one or more are partly dependent, 10 per cent divided share and share alike; (these percentages are paid if there is no widow, widower, child, or dependent parent; if there is, so much of these percentages is paid as, when added to the total percentages payable to widow, widower, children, and dependent parent, will not exceed the total of 66 2-3 per cent). Payments to parents, brothers, sisters, grandparents, and grandchildren continue for eight years from the time of the death of the injured employee unless before that time the beneficiary dies, marries, or ceases to be dependent or reaches the

age of eighteen, or, if over eighteen and incapable of self-support, becomes capable of self-support. In computing compensation in case of death the monthly pay of the injured employee is considered not to be more than \$100 nor less than \$50, but the total monthly death payments must not exceed the actual pay of the employee. In case of death or permanent disability the commission may commute periodical payments into a lump sum equal to the present value of all future payments if the monthly payment is less than \$5 a month or if the beneficiary is or is about to become a non-resident of the United States or it is for the best interests of the beneficiary. In estimating such lump sum the probability of the beneficiary's death is determined according to mortality tables, but the probability of the happening of any other contingency is disregarded. No compensation is granted unless written notice is given within forty-eight hours after the injury or death, unless the commission finds reasonable cause for notice given later. No compensation is allowed to any person unless he makes a claim within sixty days after the injury or within one year after the death, but the commission may for reasonable cause allow a claim to be filed later. The claim must be made on forms furnished by the commission, must contain all information required by it, and must be sworn to. The injured employee is required to submit to medical examination at the request of the commission, and no compensation is payable during refusal to submit to examination. If the injury or death for which compensation is payable is caused by the negligence of some person other than the United States the commission may require the beneficiary to assign to the United States any right of action he may have against such other person or to prosecute the action in his own name. If the United States realizes upon such cause of action, it shall, after deducting expenses and compensation already paid, pay any surplus to the beneficiary, to be credited upon any future payments of compensation. If a beneficiary entitled to compensation pursues his right of action and realizes upon the same, he is required to credit upon compensation due from the United States the amount received from such other person. The act provides for a commission, composed of three commissioners appointed by the President, with the advice and consent of the Senate, at a salary of \$4,000 each, and with such assistants as Congress may from time to time provide to be appointed by the commission subject to civil



service requirements. A separate fund is established in the treasury to be known as the employees' compensation fund. An appropriation of \$500,000 to establish this fund is authorized and to it are to be added such sums as Congress may from time to time deem appropriate. The commission is authorized to make necessary rules and regulations for the enforcement of the act and to decide all questions arising under it, and is annually to submit to Congress a report and to the Secretary of the Treasury estimates of the appropriations needed. (C. 458, 64th Congress, 1st session. In effect, September 7, 1916.) An appropriation of \$50,000 for administrative expenses and \$500,000 for compensation under the preceding act is made for the fiscal year 1917. (C. 464, 64th Congress, 1st session. In effect, September 8, 1916.)

## 2. INVESTIGATIONS

*Massachusetts.*—A recess commission on social insurance is provided for, to be composed of two members of the senate, appointed by the president, four members of the house of representatives, appointed by the speaker, and three other persons appointed by the governor. It is to study "the effects of sickness, unemployment, and old age in Massachusetts, to collect facts as to actual experience with the several forms of insurance therefor," and to recommend legislation "deemed practical and expedient to protect the wage-earners . . . from the burdens" thereof. The department of health and the bureau of statistics are directed to cooperate, and are allowed their expenses in such cooperation, outside of their own appropriations. The commission is to file its report to the next legislature, with drafts of laws, not later than the first Wednesday in January. It is to hold public hearings, to have a room in the state house, and may employ "such assistance" . . . as it may require." It shall receive such compensation for members and expenses as the governor and council allow. (Res., C. 157. In effect, June 1, 1916.)

## IX. ADMINISTRATION OF LABOR LAWS

Maryland and New Jersey reorganize their labor departments, and in Massachusetts the prevention of industrial accidents and occupational diseases is vested in the board of labor and industries. In New York City the borough superintendents of buildings are

given jurisdiction over building operations, subject to a board of standards and appeals, and the regulation of bakeshops and confectioneries in tenement houses is transferred from the city health department to the tenement house department. The power of citizens in New York to proceed against labor department officials for neglect of duty is limited, but enforcing procedure by the commissioner of labor is expedited.

*Maryland.*—A state board of labor and statistics is created, to take the place of the bureau of statistics and information. The board is composed of three commissioners, appointed by the governor, to serve two years. One commissioner is designated by the governor as chairman, and the other two are known as advisory members. The chairman receives a salary of \$2,500, and each of the advisory members \$500. Actual and necessary expenses are allowed. Upon the appointment and qualification of the members of the new board, the bureau of statistics and information and the offices of chief of the industrial bureau, inspector and assistant inspector of female labor are abolished, and all the powers and duties of those offices are transferred to the new board. The powers and duties so transferred include the collection of information concerning industrial disputes, agricultural conditions, mining and manufacturing, and transportation and commerce. A bureau of general information is to be maintained, and all information and data collected by the board is to be classified and published, and revised each year. Other powers and duties transferred are those in the present law relating to the labor of females and to the enforcement of health regulations in workshops and factories, also the administration of the new mothers' pension law. The new board is authorized to appoint such deputies, inspectors, assistants, and employees as may be necessary, but the appointments and compensations are subject to approval by the governor. A further new section provides that all violations of the labor laws prior to the taking effect of the act are to be prosecuted as if the act had not been passed; all violations subsequent to the taking effect of the act are to be prosecuted under the direction or supervision of the new officers. Appropriations at the rate of \$35,000 a year are made for the administration of the law from June 1, 1916, to September 30, 1917, and for each fiscal year thereafter. (C. 406. In effect, June 1, 1916.) For power of the board to establish employment agencies,

see "Unemployment—Public Employment Offices." For power of board to investigate unemployment, see "Unemployment—Investigations." For power of the board in regard to industrial disputes, see "Collective Bargaining—Trade Disputes," p. 283.

*Massachusetts.*—A hearing is no longer required before the suspension or revocation of the license of certain electrical workers. (C. 199. In effect, May 12, 1916.) The duties of the state board of labor and industries and of the industrial accident board, sitting jointly, in regard to the prevention of industrial accidents and occupational diseases, are transferred to the state board of labor and industries. (C. 308. In effect, June 2, 1916.) The minimum wage act is amended to provide that the commission shall consist of three persons, one of whom shall be an employer of female labor, one of whom may be a woman, and one a representative of labor. (C. 303. In effect, June 2, 1916.) For determination of seasonal industries, see "Hours—Maximum Hours—Private Employment," p. 287. For power of state board of labor and industries in regard to payment of wages, see "Individual Bargaining—Payment of Wages," p. 279.

*New Jersey.*—The department of labor is reorganized. Hereafter, the department is to be composed of a commissioner of labor, an assistant commissioner of labor, bureau of inspection, bureau of structural equipment, bureau of electrical equipment, bureau of hygiene and sanitation, bureau of engineers' and firemen's licenses, bureau of industrial statistics, and bureau of employment. The commissioner must be a citizen and resident, appointed by the governor with the consent of the senate, for five years, at \$6,000 a year. He is to be the executive and administrative head of the department. All powers and duties previously vested in the commissioner of labor or in the department of labor are transferred to him, to be exercised by him "in person or under his personal supervision and control." When not inconsistent with law, he shall assign to the various bureaus, to be performed by them under his supervision and in his name, duties imposed upon the department or the commissioner "to the end that through the several bureaus, each performing its assigned correlated functions, the work of the department shall be economically, efficiently and promptly performed." The assistant commissioner at \$3,000 shall be appointed by the commissioner and shall act as commissioner in his absence. The bureau of inspection shall consist of the assistant commissioner and nineteen inspectors,

at least three of whom shall be women; one shall have practical knowledge and skill in the work and operation of mines and quarries; one shall be a practical baker. Inspectors are appointed by commissioner, at \$1,500. The bureau of structural inspection shall consist of a chief inspector, who shall be a structural expert appointed by the commissioner at \$2,000, and one inspector appointed by the commissioner at \$1,500. This bureau shall perform duties assigned to it by the commissioner relating to plans or alterations and new buildings, elevators, fire escapes, fire protection, and "additional correlated duties" as the commissioner directs. The bureau of electrical equipment shall consist of a chief inspector, appointed by the commissioner at \$2,000, and one inspector at \$1,500, and shall perform duties relating to fire alarm installations and other electrical equipment as the commissioner directs. The bureau of hygiene shall consist of a chief inspector, appointed by the commissioner at \$2,000; an expert investigator of occupational diseases at \$1,500, and an inspector having practical knowledge and skill as a metal polisher and buffer at \$1,500, and shall perform duties imposed on the department or commissioner relating to the elimination of dust, fumes, and excessive heat in industrial operation and the ventilation of factories, mills, and manufacturing places. The bureau of engineers' and firemen's licenses shall be constituted as provided in the prior act relating thereto and shall perform the duties specified in that act. The bureau of statistics shall consist of a chief appointed by the commissioner at \$2,500, and shall perform the duties formerly vested in the bureau of labor statistics, which is by this act merged with the department of labor, and in addition shall publish bulletins and pamphlets pertaining to the work of the bureau. The bureau of employment shall be constituted as provided by the act of 1915, except that its chief and assistants are to be appointed and their salaries fixed by the commissioner. All offices and employments in the department, except that of the commissioner, shall be in the classified civil service. The commissioner may assign clerks and inspectors to the various bureaus and may combine the clerical force of different bureaus or assign employees of one bureau to the work of another. "The system of organization hereby created is intended to facilitate and not to retard the economical and efficient performance of the work of the department, and not to impair the control or responsibility of the commissioner over



and for such work." He is authorized to appoint volunteer inspectors to serve without compensation and with the same rights and powers as regular inspectors. The term of the present commissioner is extended to the end of five years from the beginning of his present term. Officers and employees are entitled to expenses incurred in performance of duties. (C. 40. In effect, March 14, 1916.) For creation of workmen's compensation aid bureau, see "Social Insurance—Workmen's Compensation," p. 312. For enforcement of provisions in regard to elevators, see "Safety and Health—Regulation—Factories, Workshops, and Mercantile Establishments," p. 300. For granting of child labor certificates, see "Safety and Health—Prohibition—Exclusion of Persons," p. 294.

*New York.*—In the city of New York the superintendent of buildings in each borough is given "exclusive jurisdiction" over "construction, alteration, structural changes in and removal of" buildings in his borough, subject to the rules and regulations of the board of standards and officials, except so far as vested in the tenement house department. He shall have "exclusive jurisdiction" to enforce the labor law in regard to construction and to the protection of "persons employed" in such construction. He may, subject to the approval of the borough president, permit variations "from the strict letter of the law" when there are "practical difficulties" to carry out "the spirit of the law," secure "public safety" and do "substantial justice," except that he may not permit a variation from a rule of the board of standards or board of officials or an order of the fire commissioner or tenement house department. Appeals from decisions of the superintendent are made to the board of appeals. No building hereafter built, or altered "from one class to another," may be occupied without a certificate from the superintendent, with certain minor exceptions, but no certificate "shall be deemed complete" without the approval by the fire department of fire extinguishing appliances. Certificates issued are binding on all departments of the city and on the state department of labor, except on the fire commissioner in case of occupations classed by the board of standards and appeals as hazardous. The board of standards and appeals is to consist of the fire commissioner, the superintendents of buildings, the chief of the fire department, and six members to be appointed by the mayor, who receive compensation paid by the board of aldermen, for each meeting. The board may make rules and regulations to enforce, among others, the building provisions

of the labor law, and has the powers of the industrial commission in regard to buildings in New York City. Until it has acted, the rules of the industrial commission or labor department remain in force. A board of appeals, consisting of the appointed members of the board of standards and appeals and the chief of the fire department, is created to hear appeals from an order of a superintendent of buildings or of the fire commissioner, made under authority, among other laws, of the labor law. Five members of this board must hear appeals and approve decisions. Any person, or, among other public officials, the industrial commission, may petition the supreme court or a justice for review of a decision of the board of appeals, which may be affirmed, reversed or modified. The penalty for "knowingly violating" or not complying with an order of the board of standards and appeals or a superintendent is a fine of not over \$250 in addition to all other lawful penalties. The fire commissioner is given power to enforce all laws and orders affecting fire prevention and safety from fire, including the exit requirements of the labor law. All rights of the department of health of New York in regard to bakeries and confectioneries in tenement houses are transferred to the tenement house department. The state labor department may continue any investigation begun, its orders remain in effect, and its action approving construction is conclusive. (C. 503. In effect, as to the provisions in regard to the board of standards and appeals, May 10, 1916; but their rules shall be in effect October 1, 1916, and their exclusive jurisdiction over buildings in New York City, previously vested in the industrial commission, on July 1, 1916; all other provisions on October 1, 1916.) Section 3 of the labor law, making eight hours a legal day's work on public work, and requiring the wages for such work to be not less than the prevailing rate for similar work in the same locality, is amended by striking out the provisions that contracts for public work shall contain a provision that they are to be void unless the contractor complies with the provisions of this section, and inserting a provision that violation shall constitute a misdemeanor punishable for first offense by fine of \$500 or imprisonment not more than thirty days, or both; and for second offense, fine \$1,000, and in addition thereto the contract shall be forfeited and no payment shall be made on such contracts after conviction of second offense. Section 4 of the labor law provides that public officers or employees who violate

or permit evasions of "provisions of this chapter" shall be guilty of malfeasance and shall be suspended or removed by the appointing power, and that any citizen may maintain proceedings for suspension or removal of such officer or employee. The amendment now adds the words "who knowingly permits the violation of any of the provisions of this chapter," thus greatly limiting his power under the old law, for he cannot now proceed against an officer who himself violates or evades the law. The right given the citizen by the old law to bring suit to cancel or to prevent payment on a contract in violation of the labor law, either by its terms or manner of performance, is dropped. Section 21 of the labor law is amended by providing that the commissioner of labor "may," on well-founded complaints of violations, issue orders requiring compliance with the law, or "may" refer the violation to the proper district attorney; the old law provides that he "shall" issue such an order, and if it be disregarded "shall" refer the violation to the district attorney, the change, therefore, permitting a reference to the district attorney without the delay of issuing an order. This section is also amended by dropping the former provision authorizing the commissioner to take proceedings to revoke contracts for public work, where the contractor was violating the labor law, and substituting a provision authorizing him to take proceedings to enforce compliance with the law. (C. 152. In effect, April 7, 1916.) An amendment to the New York City charter provides for a bureau of law and adjustment in the finance department, one of whose powers is to investigate complaints alleging violation of the labor law and to report thereon to the comptroller. (C. 529. In effect, June 1, 1916.) For provisions as to administration of the workmen's compensation law, see "Social Insurance—Workmen's Compensation," p. 313. For enforcement of eight-hour day by cities, see "Hours—Public Work," p. 286. For provisions in regard to child labor laws, see "Safety and Health—Prohibition—Exclusion of Persons," p. 294.

*Rhode Island.*—The total annual amount of the expenses allowed to the factory inspector is increased from \$2,300 to \$2,600. (C. 1379. In effect, April 14, 1916.)

## TOPICAL INDEX BY STATES

The labor laws enacted by the sixteen states which held regular or special legislative sessions in 1916, by the insular possession Porto Rico, and by the Sixty-fourth Congress, first session, are indexed below in alphabetical order by states, with chapter and page references to the session law volumes. The figures in ordinary type inside the parentheses refer to the session law volumes; the figures in heavier type, outside the parentheses, refer to pages in this REVIEW.

### CALIFORNIA

(Special session.)

*Unemployment*: federal aid to settlement of unemployed on public lands approved (Resolutions, C. 8, p. 49), p. 291.

### GEORGIA

(No labor legislation.)

### ILLINOIS

(Special session. No labor legislation.)

### KENTUCKY

*Individual Bargaining*: semi-monthly pay day for corporations (C. 21, p. 157), p. 278.

*Safety and Health*: child labor act amended in respect to theaters (C. 23, p. 160), p. 292; fire marshal to provide for fire protection (C. 19, p. 102), p. 298.

*Social Insurance*: elective workmen's compensation act (C. 33, p. 354), p. 304.

### LOUISIANA

(Page references not yet available.)

*Hours*: women's and children's hours of work law amended (No. 177), p. 285.

*Individual Bargaining*: lenders of money on wages licensed (No. 102), p. 278; bi-weekly pay day law extended (No. 108), p. 279; lien law amended and extended (No. 98, No. 229; No. 232), p. 280, (No. 262), p. 281; limitation on free trading prohibited (No. 188), p. 282.

*Safety and Health*: safety law for machinery strengthened (No. 146),



- p. 299; commission to report on uniform boiler code (No. 276), p. 299.  
*Social Insurance*: workmen's compensation act amended (No. 243), p. 309.

## MARYLAND

- Administration of Labor Laws*: state board of labor and statistics to replace bureau of statistics and information (C. 406, p. 811), p. 321.  
*Collective Bargaining*: arbitration boards and investigations provided for (C. 406, p. 811), p. 283.  
*Hours*: children's hour law amended (C. 222, p. 435), p. 286; rest periods in stores (C. 147, p. 241), p. 286.  
*Safety and Health*: restrictions on children's employments amended (C. 222, p. 435), p. 292.  
*Social Insurance*: workmen's compensation act amended (C. 86, p. 140; C. 368, p. 741), p. 311.  
*Unemployment*: public employment office law amended (C. 406, p. 811), p. 290; investigations by state board of labor and statistics (C. 406, p. 811), p. 291.

## MASSACHUSETTS

- Administration of Labor Laws*: electricians' license law amended (C. 199, p. 140), p. 322; law in regard to prevention of accidents and industrial diseases amended (C. 308, p. 257), p. 322; personnel of minimum wage commission changed (C. 303, p. 253), p. 322.  
*Collective Bargaining*: law regulating advertisements for strike breakers amended (C. 89, p. 53; C. 143, p. 90), p. 283.  
*Hours*: forty-eight hour week on public work (C. 240, p. 166), p. 285; law regulating hours of women and minors amended (C. 222, p. 154), p. 286; investigation of hours in hotels and restaurants ordered (Resolves, C. 74, p. 381), p. 288; Sunday law amended (C. 146, p. 93), p. 288.  
*Individual Bargaining*: weekly payment of wages law amended (C. 14, p. 11; C. 229, p. 158), p. 279; assignment of wages law amended (C. 208, p. 144), p. 279.  
*Minimum Wage*: personnel of commission changed (C. 303, p. 253), p. 322.  
*Safety and Health*: child labor law amended to provide for vocational education (C. 95, p. 57), p. 293; and for vacation work (C. 66, p. 40), p. 294; child peddlers regulated (C. 242, p. 169), p. 293; lockers for clothes required (C. 115, p. 71), p. 299.  
*Social Insurance*: workmen's compensation act amended (C. 72, p. 44; C. 90, p. 53), p. 311, (C. 200, p. 140; C. 307, p. 257), p. 312; salary of secretary of board fixed (C. 275, p. 218), p. 311; commission on social insurance to study sickness, old age, and unemployment (Resolves, C. 157, p. 409), p. 320.

*Unemployment:* commission on social insurance to study unemployment (Resolves, C. 157, p. 409), p. 320.

## MISSISSIPPI

*Hours:* ten-hour day law amended (C. 239, p. 349), p. 286.

*Individual Bargaining:* commissary cars licensed (C. 91, p. 84), p. 279; semi-monthly payment law amended (C. 241, p. 351), p. 279.

*Safety and Health:* factory registration law amended (C. 95, p. 84), p. 299.

## NEW JERSEY

*Administration of Labor Laws:* labor department reorganized (C. 40, p. 67), p. 322; workmen's compensation aid bureau created (C. 54, p. 97), p. 312.

*Safety and Health:* child labor law amended to encourage vocational training (C. 242, p. 506), p. 294; passenger elevators regulated (C. 260, p. 548), p. 300.

*Social Insurance:* workmen's compensation aid bureau created (C. 54, p. 97), p. 312.

*Unemployment:* public employment office law modified (C. 40, p. 67), p. 323.

## NEW YORK

(Page references not yet available.)

*Administration of Labor Laws:* City of New York to administer building provisions of labor law (C. 503), p. 324; method of enforcing labor law modified (C. 152; C. 529), p. 326.

*Hours:* eight-hour law on public work amended (C. 151), p. 285, (C. 152), p. 325.

*Individual Bargaining:* mechanics' lien law amended (C. 507), p. 281; bureau created to put immigrants on farms as owners and laborers (C. 586), p. 291; prison labor to be used in building new prison (C. 594), p. 282.

*Safety and Health:* child labor law amended to prohibit child actors in motion pictures (C. 278), p. 294; and in regard to employment certificates (C. 465), p. 295; educational requirements for certain railway employees (C. 424), p. 294; building regulations in labor law modified (C. 62), p. 300; law requiring fire signals and drills amended (C. 466), p. 300.

*Social Insurance:* workmen's compensation insurance for workmen on public work (C. 478), p. 313; compensation law extensively amended (C. 622), p. 313.

*Unemployment:* employment office provided for immigrant farm laborers (C. 586), p. 291.

## OKLAHOMA

(Special session. No labor legislation.)

**PORTO RICO**

(Page references not yet available.)

*Social Insurance*: workmen's compensation act passed (No. 19), p. 315.**RHODE ISLAND***Administration of Labor Laws*: inspectors' expense allowance increased (C. 1379, p. 145), p. 326.*Safety and Health*: child labor law amended in regard to employment certificates (C. 1378, p. 138), p. 296; gates on elevators regulated (C. 1351, p. 64), p. 300.**SOUTH CAROLINA***Collective Bargaining*: board of conciliation created (C. 545, p. 935), p. 284.*Hours*: ten-hour day for interurban railroads (C. 544, p. 934), p. 287; ten-hour day law for textile mills amended (C. 547, p. 937), p. 287.*Individual Bargaining*: weekly pay day established (C. 546, p. 937), p. 279; mechanics' lien law extended (C. 375, p. 686), p. 281.*Miscellaneous Legislation*: penalty increased for not separating white and colored mill workers (C. 391, p. 704), p. 277.*Safety and Health*: child labor law amended (C. 361, p. 655), p. 296.*Social Insurance*: employers' liability on railroads established (C. 557, p. 970), p. 302.**SOUTH DAKOTA**

(Special session. No labor legislation.)

**TENNESSEE**

(Special session. No labor legislation.)

**VIRGINIA***Hours*: Sunday law amended (C. 435, p. 751), p. 289.*Individual Bargaining*: agricultural peonage law (C. 13, p. 12), p. 282.*Safety and Health*: coal mine act amended (C. 458, p. 773), p. 301.*Social Insurance*: employers' liability established on railroads (C. 444, p. 762), p. 303.*Unemployment*: law regulating private employment offices amended (C. 168, p. 325), p. 289; itinerant labor agents taxed prohibitively (C. 517, p. 880), p. 290.**UNITED STATES**

(Page references not yet available.)

*Hours*: eight-hour standard day established on railroads (C. 436), p. 287; act limiting railroad men's hours amended (C. 109), p. 288; federal child labor act (C. 432), p. 297.*Minimum Wage*: pay of railroad men on eight-hour standard day not to be reduced (C. 436), p. 287.

*Miscellaneous Legislation:* stop watch and bonus forbidden on government work (C. 209, C. 225), p. 277, (C. 417, C. 418), p. 278; larger edition of report of Industrial Relations Commission authorized (J. R. 15), p. 277.

*Safety and Health:* federal child labor act (C. 432), p. 297; safety provision in seamen's act amended (C. 141), p. 302.

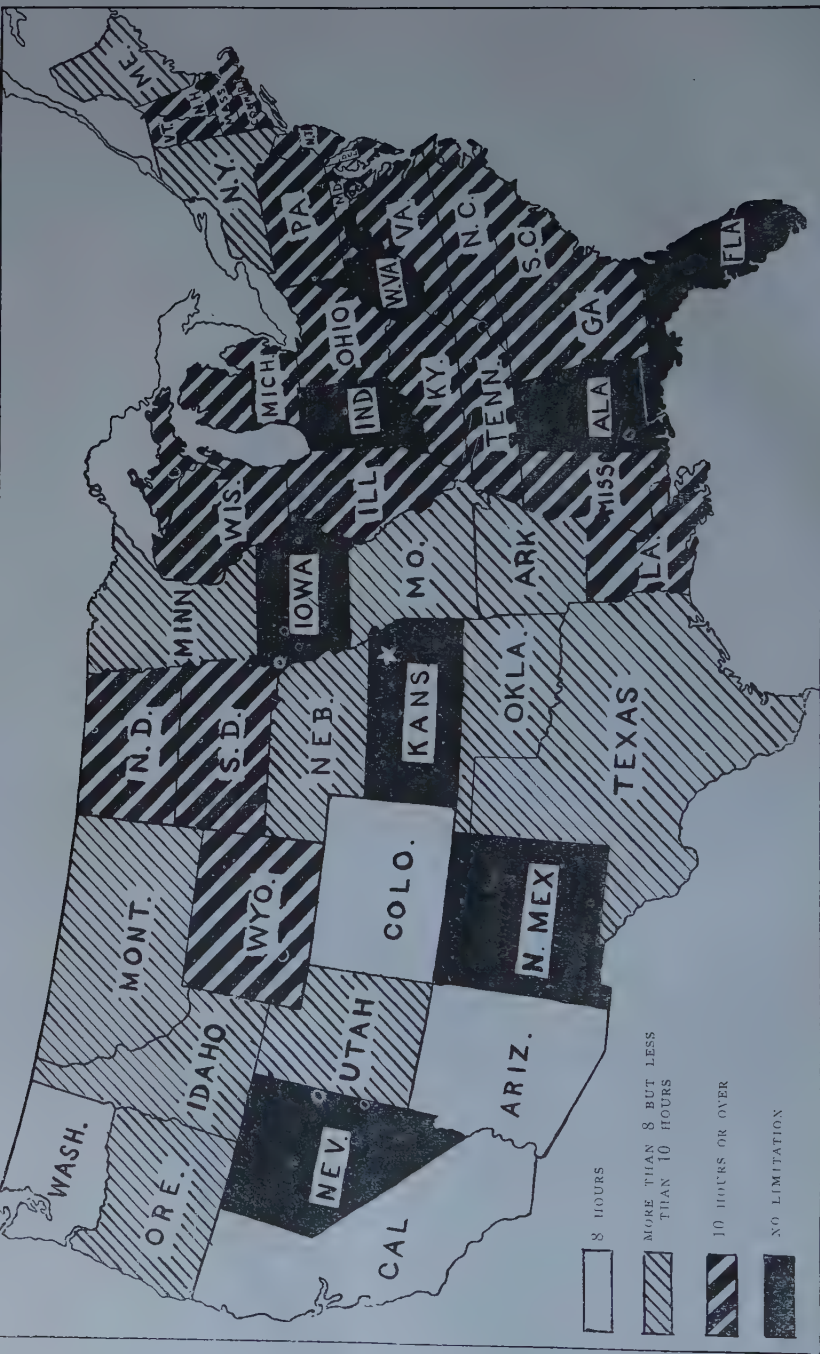
*Social Insurance:* workmen's compensation act for federal employees (C. 458), p. 317; appropriation for same (C. 464), p. 320.

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### LEGAL LIMITATION OF WORKING HOURS FOR WOMEN IN THE UNITED STATES

The hour limits indicated do not apply to all occupations in which women are employed, but are those which affect a large proportion of female industrial workers.

\* In Kansas the industrial welfare commission may fix hours, but up to December 1, 1916, had only placed a limit of 9 hours on work in mercantile establishments.

## ATTITUDE OF BRITISH AND GERMAN TRADE UNION- ISTS TOWARD HEALTH INSURANCE

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*In advance of the adoption of each new step in the social insurance program trade unionists eagerly inquire how the proposed legislation is likely to affect their organization. This stage of inquiry with regard to health insurance has been reached in the United States as it was reached in Great Britain eight years ago preceding the enactment of the Lloyd-George social insurance system. In accordance with the instructions of the parliamentary committee of the British Trades Union Congress a deputation composed of four leading British trade unionists, D. J. Shackelton, C. W. Bowerman, W. Thorne, and W. C. Steadman, visited Germany during November and December, 1908, to "ascertain the feeling prevalent among German workmen generally and the German trade unions in particular towards the state systems of insurance." Four large cities were selected for the investigation—Berlin, Leipsic, Dresden, and Frankfort-on-Main. Assistance was given by such prominent German representatives of labor as Karl Legien and J. Sassenbach, as well as by British consular representatives and the British embassy in Berlin. From the published report of the delegation important passages dealing with the effect of health insurance upon organizations of labor have been extracted and are here presented for the information of American trade unionists and students of social insurance generally.—EDITOR.*

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### TRADES UNION CONGRESS PARLIAMENTARY COM- MITTEE

#### WORKMEN'S INSURANCE SYSTEMS IN GERMANY

##### *Report of Delegation*

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The main object of the deputation was not so much to obtain information concerning the details of the systems as to ascertain the feeling prevalent among German workmen generally and the German trade unions in particular towards the state systems of insurance. . . .



WORKMEN'S ATTITUDE TOWARD STATE INSURANCE AND COMPULSORY  
DEDUCTION OF CONTRIBUTIONS

Workmen throughout Germany do not complain of any compulsory deductions being made by their employers from their wages for the purpose of workmen's insurances. At the outset, in 1883 (when the first sickness insurance law was passed on the 15th June, and which came into operation on the 1st December, 1884), opposition towards the scheme was made in the Reichstag by the workmen through their Socialist representatives, although it cannot be said that the Socialists opposed the insurance laws on principle; indeed, it is now their constant claim that much of the credit for their passing belongs to them. They did, however, take objection to many matters of organization and administration, and especially they contended for the principle of self-government in relation to the sickness and invalidity insurance funds. This opposition, however, has entirely died out, and to-day workmen willingly consent to their contributions being deducted if they obtain what they consider an adequate return for the same. Were the workmen compelled, however, to go personally to a pay office and deposit their contributions, they would undoubtedly be dissatisfied, but as the contribution is deducted from their pay they do not demur, as they have become accustomed to regard the wage, less the contribution, as the total amount of their weekly earnings.

Many of the largest employers are favorably disposed towards these laws, and pay willingly; on the other hand, probably the majority do complain of the cost (although not opposed to the laws in principle), and object to their share of the contribution—one-third for sickness . . . on the ground that the amount paid, although trifling for each workman, renders their goods on the whole more expensive, and lessens their chances of competition with foreign firms, where such insurance is not compulsory. On the other hand this objection seems untenable, as in many cases employers, disliking their men to belong to unions, establish private sick funds as an inducement for men to withdraw from the union, thus also increasing the average cost of their production.

These private funds are supplementary to the statutory funds, and cannot supersede them. As a rule, they are intended to increase the sick benefit payable from the statutory funds, and to extend it to members of a workman's household not liable to in-

insurance. Many of these private funds existed before the insurance laws were passed, and have been continued side by side with the statutory funds. . . .

#### THE EFFECT OF COMPULSORY INSURANCE UPON THE TRADE UNIONS

The introduction of the state insurance of workmen against sickness, invalidity, and old age has in no way exercised an injurious effect upon the trade unions of the country. It was said at the time of the introduction of the insurance systems that the main object underlying Bismarck's proposals was to wean the workmen away from the Socialist organizations, which had been growing in strength and numbers, and which threatened then to become a great factor in political life, and that thereby the working classes might be won over to regard the state as a social institution existing for their sake and interested in their welfare.

When the first (sickness) insurance law was passed in 1883, trade unionism in Germany was entirely insignificant. It is estimated that in 1877 the Socialist trade unions had only a membership of 49,000, and in 1886 one of 81,200; while the older Hirsch-Duncker unions had a membership of 16,500 and 51,000 in 1878 and 1885 respectively.

We were assured that the insurance laws had greatly stimulated the growth of trade unions, as they were bound to do, since the machinery of these laws comprised executives, committees, boards of arbitration, and other bodies, to which the workpeople had to elect representatives; hence the spirit of organization and solidarity was strengthened. The many contentious questions raised by the laws likewise increased the need for workpeople's organizations.

Workmen's insurance, the deputation were informed, had not had any detrimental effect on the trade unions—on the contrary, the state assistance has acted as an incentive and encouragement to workmen to make additional provision for themselves and families through their trade unions and private sick clubs. . . .

In this connection, it is interesting to note that in 1907 the "free" or Socialist unions, with a membership of 1,866,000, granted £174,000 in sick pay and £19,000 in invalidity pay; the state subsidies to invalidity and old-age pensions amounting in 1906 to £2,437,000. . . .

The trades unions also assert that state insurance has been an excellent object-lesson to the German workmen, and has served

as a splendid means of propaganda for their organizations. German workmen have learnt the benefits of insurance to a slight degree, and are now more willing to contribute towards their unions for the same and other purposes.

Far from weakening the trade unions, the system of insurances has served indirectly to increase their strength, as they have formed the buttress to any attempts on the part of the employer to make the workman pay the master's share of the contributions. This point is emphatically emphasized in a report issued in April last by the General Commission of Trade Unions in Germany. An extract from this report reads:

Scarcely anyone to-day entertains the idea that labor insurance can hinder the workers from developing their trade societies and obtaining political representation for their class, as in face of the growth of trade unionism such a thought would be absurd. Nor does the hope exist that this manner of helping the workers will prevent the workmen from endeavoring to obtain by their strikes better conditions of labor. . . . What is to prevent the employers from lowering wages by the amount of the insurance premiums they have to pay for their men? Only the trade unions can offer an effective resistance to this tendency; only the organization of the workers prevents the masters from casting the burden of their contributions on the shoulders of the workers themselves. . . .

In 1905 there were 11,903,794 people insured against sickness in the German Empire. 255,803,586M. was paid for medical treatment, medicine and medical appliances, sick support, death money (funeral expenses, etc.), support of women in childbed, and for sanatoria during the same year. The total receipts during the same period were 340,507,534M.; and 16,466.467M. was paid for administration purposes.

## RECENT AMERICAN OPINION IN FAVOR OF HEALTH INSURANCE

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*During the four years that health insurance has been actively discussed in America, numerous influential persons in the various interested groups have taken a strong stand in favor of it. For the information of American students of the problem, a number of recent representative utterances by employers, employees, and medical men are here presented.*—EDITOR.

### OPINIONS OF EMPLOYERS

*National Association of Manufacturers, Committee on Industrial Betterment, May, 1916.*—A large number of manufacturing concerns believe in the principle of sickness benefits for their employees to the extent of establishing voluntary systems in their particular plants. . . . We know that there are employers who would not comply with the voluntary plan. . . [The state] must often subordinate the independence of the individual to the general good—it must work out many of its beneficent purposes by collective means; it must sometimes compel the individual to do that which he ought to be willing to do. Is insurance of workmen of such importance as to justify compulsion on the part of the state to secure it effectively? Such insurance cannot be made general in its application without some form of compulsion. No form of persuasion could be effectively employed by the state which would not involve features far more objectionable than compulsion.

*Associated Manufacturers and Merchants of New York State, Health Insurance Standards.*—I. Scope: To be equitable and reasonable and effective, health insurance should be national in its scope: it should be compulsory; it should be maintained on the basis of joint contributions of employer, employee and the federal government. II. Coverage: Compulsory insurance should include all employers; and all wage workers earning less than a given annual sum, where employed with sufficient regularity to make it practicable to compute and collect assessments. There should be a voluntary supplementary health and invalidity insurance system



for groups of persons (wage workers or others) who desire to take advantage of it. III. General Provisions: Health insurance should provide for a specified period only; there should be a voluntary system of invalidity insurance, supported entirely by contributions of employees, with deficiencies made up by the federal government from monies raised by general tax, to take care of all disability due to disease in excess of the period covered by health insurance, and in which only those workers who have contributed may participate as beneficiaries. IV. Administration and Insurance Carriers: The same agency should administer health and invalidity insurance, although the funds should be separate. Health insurance should be carried by mutual local funds, jointly managed by employers and employees under governmental supervision. Establishment funds should be permitted to carry the insurance where their existence does not injure the local funds, but they should be under strict governmental supervision. Invalidity insurance should be carried by a national fund with each state as a district thereof. V. Benefits: Both health and invalidity insurance should include medical service, supplies, necessary nursing and hospital care. Such provisions should be thoroughly adequate and under strict governmental control. Cash benefits should be provided for the insured by both health and invalidity insurance, but such benefits under invalidity insurance should be considerably smaller than under health insurance. VI. Credits: Prevention of disease should be so emphasized and rewarded by premium credits or otherwise that it shall lead to a campaign of health conservation similar to safety movements under laws which compensate workers for injuries.

*Stanley King.*—I believe very strongly that unless we make very substantial progress along the line of health insurance and along similar lines, we shall find ourselves under very serious handicaps in world competition at the conclusion of the present war. I believe that many of our people are still going cheerfully on with the social ideals and ideas of the past generation, quite oblivious to the fact that our great commercial competitors, Germany and Great Britain, have advanced far beyond us in social thinking.

*Jonathan Godfrey, President, Compressed Paper Box Company, Bridgeport, Conn.*—Compulsory health insurance teaches economy. . . . The employer soon begins to see that proper sanitary

appointments and hygienic surroundings lower his share of the insurance contribution by decreasing the amount of sickness. He also will soon benefit by the increased efficiency shown by his workmen, as we are told that 10 per cent of the New England employees are suffering from preventable disease resulting in a loss of earning power. . . . The employers of New England, when they understand it, will favor this legislation. It is your duty and mine to see that it is so understood.

*American Electric Railway Association, Committee on Social Insurance.*—The imperative need of every wage-earner for such forms of social insurance as compensation for industrial accidents, health insurance, and old age pensions, is now generally conceded.

*American Telephone and Telegraph Company, Board of Directors.*—We believe it is no more than simple justice that men and women who devote their working lives to the telephone service should be assured of some income when they are sick or come to old age. . . . If justice demands this, its cost is a fair charge against the business and so we regard it.

*W. L. Chandler, Dodge Manufacturing Company.*—The time is ripe to treble the effectiveness of the benefit fund idea by proper encouragement.

*Howell Cheney, Cheney Brothers' Silk Mills.*—Illness as well as injury occasion a large economic waste to the company as well as to the employees on account of lost time, idle machinery, and ineffective work. It is to the direct interest of the company as well as to the individual to bring about a reestablishment of health, and consequently efficiency, by supplying the best conditions possible for recovery.

*F. A. Reinhardt, Reinhardt Manufacturing Company.*—As an employer of labor, I am heartily in favor of this bill, [health insurance] as I think it would help workingmen to help themselves to an extent, without feeling the burden, and the little it would cost us as employers would compensate us in not seeing so much misery among those whom we have been associated with.

*F. C. Huyck & Sons.*—We are in favor of health insurance, as is evidenced by the fact that we have had for five years a plan in effect similar to the proposed law.

*American Chamber of Commerce in Berlin, Bulletin, December, 1915.*—Compulsory workmen's insurance has raised the working classes in Germany in respect to health, economy, and standing in the community, and it is clear that, with their aid only, Germany

has maintained her position in the markets of the world. And, furthermore, hundreds of thousands, now fighting on the field of battle for the fatherland, may trace their health and capacity to the timely and proper treatment received with the aid of sickness insurance.

#### OPINIONS OF EMPLOYEES

Up to December 31, 1916, labor organizations which had endorsed the principle of universal health insurance included the following:

##### *Internationals*

International Typographical Union  
 International Glove Workers of America  
 International Union of Steam and Operating Engineers  
 International Spinners' Union  
 International Brotherhood of Pulp, Sulphite, and Paper Mill  
 Workers  
 United Textile Workers of America

##### *State Federations*

Massachusetts State Federation of Labor  
 Missouri State Federation of Labor  
 Nebraska State Federation of Labor  
 New Jersey State Federation of Labor  
 Ohio State Federation of Labor  
 Wisconsin State Federation of Labor

##### *City Centrals*

United Hebrew Trades of Greater New York  
 White Plains (N. Y.) Central Labor Union  
 Cleveland (O.) Federation of Labor.

Among the important statements in favor of health insurance legislation by representative labor men and their unions are these:

*International Union of Steam and Operating Engineers.*—Resolved, by the International Union of Steam and Operating Engineers in convention assembled, that the convention favor a universal system of health insurance with contributions by employers and the state as well as by the workers in order that efficient and economical medical service may be furnished to employees and proper emphasis may be placed especially upon the prevention of industrial disease.

*International Brotherhood of Pulp, Sulphite, and Paper Mill*

*Workers.*—Resolved, by the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers of the United States and Canada in convention assembled, that the convention favor a universal contributory health insurance law which would exclude profit seeking insurance companies and which would insure to all sick wage-earners prompt and efficient medical aid, as well as financial assistance.

*United Textile Workers of America.*—Resolved, by the United Textile Workers of America in convention assembled that the convention favor a universal system of health insurance with contributions from employers, employees and the state in order that adequate medical as well as pecuniary aid may be extended to all sick wage-earners and especially in order that proper emphasis may be placed upon the prevention of sickness.

*John Mitchell, former President, United Mine Workers of America; Chairman, New York State Industrial Commission.*—Experience under workmen's compensation for industrial accidents indicates the need of some system of insurance protecting workmen during periods of incapacity due to sickness. In my judgment the time is not far distant when a system of health insurance will be devised by the legislatures of the various states and by the federal government which will meet the needs of our present social life.

*James Duncan, President Granite Cutters' International Association of America; First Vice-President, American Federation of Labor.*—It is a long deferred essential to our economic welfare. To wage earners health insurance is next in importance to compensation for industrial accidents. Both should be provided.

*John Golden, General President, United Textile Workers of America.*—I believe that public opinion is rapidly crystallizing in favor of both state and federal legislation, favorable to the enactment of laws devising a system of insurance against industrial diseases and I firmly believe that when this movement gets fairly started it will develop just as fast as the movement did for workmen's compensation for industrial accidents.

*James M. Lynch, former President, International Typographical Union; member, New York State Industrial Commission.*—Our former insistence upon the competence of voluntary action to deal with accidents and disease in which the factor of the inherent risks of the industry is so great is being displaced by a belief in



the necessity for compulsory insurance administered by governmental authority.

*Andrew Furuseth, President, International Seamen's Union of America.*—Self interest is probably the strongest motive with man, and if it can be harnessed into activity against industrial diseases, there doesn't seem to me to be any doubt that it would be a very powerful factor in the prevention or control of such diseases.

*S. E. Heberling, President, Switchmen's Union of North America.*—This measure, from a humanitarian standpoint, is one that should receive the support of every man, to relieve the distress of those that produce the nation's wealth.

*James H. Maurer, President, Pennsylvania Federation of Labor.*—In my opinion, insurance against occupational diseases and sickness or, in other words, health insurance, is of far greater importance to society than accident insurance.

*United States Commission on Industrial Relations, Report 1915; signed, among others, by John B. Lennon, Treasurer, American Federation of Labor; James O'Connell, Second Vice-President, American Federation of Labor; Austin B. Garretson, President, Order of Railroad Conductors.*—The most direct incentive for the promotion of [factory] sanitation would be the adoption of a proper system of sickness insurance. . . . The strongest of incentives—that of lessening cost—is given to efforts to diminish frequency and seriousness of losses; sickness insurance in this respect is a preventive measure of a positive and direct kind. . . . Sickness insurance is no longer experimental, but is rapidly becoming universal. . . . A governmental system of sickness insurance is preferable because: More democratic; the benefits would be regarded as rights, not charity. Compulsory features, obnoxious under private insurance, would be no longer objectionable. . . . European experience has proved the superiority of government systems to private insurance.

#### OPINIONS OF MEDICAL MEN

*W. A. Evans, Chicago Tribune; President, American Public Health Association.*—The United States is not liable much longer to disregard the plain teachings of European experience. A person does not need to have telescopic vision to see the advantages of compulsory health insurance.

*American Academy of Medicine.*—Resolved, that the Academy of Medicine endorse the principle of health insurance and that it appoint a committee whose duty it shall be to study and to investigate health insurance with special reference to its medical organization and to the remuneration of physicians.

*John F. Anderson, former President American Public Health Association.*—There is every reason to believe that health insurance laws will be the next important step in social legislation. . . . With the rapid progress in the framing of health insurance laws it is important that the American Public Health Association study this subject and present the best methods of correlating any proposed health insurance system with existing health agencies. . . . To enact a health insurance law simply as a relief measure without adequate prevention features would be a serious mistake, but with a comprehensive plan for disease prevention there is every reason to believe that it would prove to be a measure of extraordinary value in improving the health and efficiency of the wage-earning population.

*Conference of State and Territorial Health Authorities with the United States Public Health Service, 1916.*—Just as the workmen's compensation laws have brought about a nation-wide "Safety First" campaign, so may we expect from the enactment of health insurance laws a movement for better health that will be intelligent as well as popular.

*Medical Society of the State of New York, Council, December, 1916.*—The council of the Medical Society of the State of New York, considering that these essentials safeguard the public interest, the public health, and the welfare of the medical profession, hereby endorses and approves the medical provisions of the tentative draft of the compulsory health insurance act.

*State Medical Society of Wisconsin, House of Delegates, 1916.*—Resolved, that the house of delegates of the State Medical Society of Wisconsin commend the principle of compulsory health insurance and that we pledge our support to the enactment of that principle into law.

*Connecticut Public Health Association.*—Resolved, that this association go on record as being in favor of the general principles of compulsory health insurance.

*J. W. Schereschewsky, Surgeon, United States Public Health*

*Service.*—It is needless to say that industrial insurance, operated upon this preventive principle, should result in benefits of a far reaching character.

*O. V. Huffman, M.D., Secretary, Long Island College Hospital.*—Why should not each state board accept and bring about the necessary changes . . . to put a stop to all incentive to quackery by getting the medical profession remunerated on such a basis that it would be its direct interest to keep its clientele in sound health. This can only be done by having compulsory sickness insurance.

*B. S. Warren, M.D., Surgeon, United States Public Health Service.*—The waste from disability and death, due to preventable disease, is so tremendous that estimates mean nothing to the average mind. The suffering and sorrow due to these causes should be sufficient argument for a sickness insurance law which will place adequate medical relief within the reach of all and provide for preventive measures on a broad and comprehensive plan in which there will be a financial incentive for employers, employees, physicians, and the community to prevent sickness. Such a law would prove to be the greatest public health measure ever enacted into law.

## IRREGULARITY OF EMPLOYMENT IN NEW YORK CITY

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The two charts which follow are an attempt to present, from the very incomplete and unsatisfactory material which is available, a rough graphic indication of the irregularity of employment in New York City. In spite of, or perhaps just because of, their many deficiencies, it is hoped that these charts will prove sufficiently suggestive to stimulate the collection of data of more accurate character and for other localities.

The official sources consulted in preparing the charts were the United States *Census of Manufactures*, bulletins of the United States Bureau of Labor Statistics, the trade union statistics compiled by the bureau of statistics and information of the New York Industrial Commission, and the reports of the New York Factory Investigating Commission. Certain reports of investigations made under private auspices, notably the Russell Sage Foundation, were also used. In addition, as far as possible information was secured from trade union officials, from employers, and from the records of the New York City Public Employment Bureau. It is of course necessary to use great care in comparing facts from so many different sources, generally not covering precisely the same period of time, but it was noticeable that most statements from these diverse sources pointed to the same general conclusions.

Taking the charts for what they are worth, they roughly indicate for the vast majority of trades covered a high degree of irregularity. One or two trades are fairly busy throughout the year, while one or two others have a severe half-yearly alternation between busyness and slackness; in two the work consists of a succession of short time jobs, with considerable time lost between. The indication for most of the trades charted, however, is a busy season in the early part and another in the later part of the year, with a dull period between them, and often an additional dull period over the winter months.

The fact that more accurate data on so important a matter as the fluctuations in employment are not available in this country is a serious indictment of our social thinking. Active public employ-



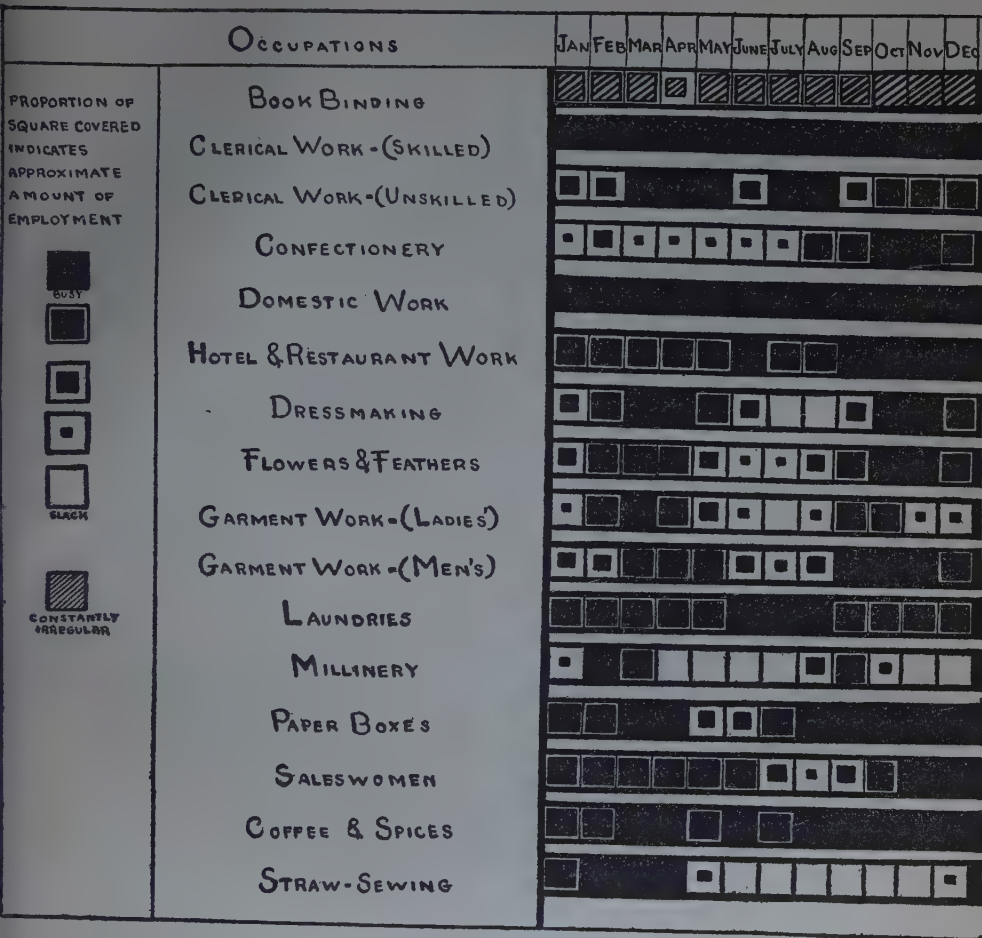
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# MENT IN NEW YORK CITY

est available information)

## WOMEN



ment bureaus, which serve as real clearing houses for the labor supply of their districts, should within a few years be able to build up a large body of timely information on this subject. Valuable beginnings in this direction have already been made by a few progressive bureaus, and these should be encouraged and expanded.

## LEGISLATION FOR WOMEN IN INDUSTRY

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Laws for the special protection of women wage-earners are a recognition that the work of women is an important and permanent factor in modern industry, but that the interests of society demand its regulation.

### WOMEN IN AMERICAN INDUSTRY

Under our modern industrial system the exodus of women from the home into gainful employment has steadily grown. Whereas in 1880 there were some 2,500,000 women workers their number had grown in 1900 to 5,250,000 and in 1910 to 8,075,772, comprising 21 per cent. of the total number of persons in gainful occupations in that year. Whereas the proportion of gainfully occupied women in 1880 was fifteen out of every 100, in 1910 it was twenty-three out of every 100.

The number of women workers is increasing faster than the number of men workers or than the total female population.

Because most women after a few years' work marry and for at least a time leave wage-earning occupations, female workers are a more youthful, more shifting group than males. In 1910, 28.9 per cent of gainfully employed females and but 16.5 per cent of gainfully employed males were under twenty-one years of age. Forty per cent of the girls between sixteen and twenty-one and only 26 per cent of the women between twenty-one and forty-five were gainfully employed. This means that an even larger number of women are affected by industrial conditions during some part of their lives than the numbers at work at any one time would indicate, a fact which increases the importance of protecting women workers against adverse industrial conditions. On the other hand, it should not be forgotten that the number of married women in the country who are gainfully occupied is probably in the neighborhood of 1,100,000.<sup>1</sup>

A slight development of labor organizations, little skill, and an especially low wage-scale are other factors besides youth and inexperience which heavily handicap women industrial workers. The 1904 census of manufactures showed that 49 per cent of adult women

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<sup>1</sup> See p. 403.

wage-earners in factories received less than \$6 a week, 28 per cent received between \$6 and \$8 only 1 per cent received \$15 or over.

According to the 1910 census women workers were divided among the main classes of occupations as follows:

|                                       | Number          | Per Cent    |
|---------------------------------------|-----------------|-------------|
| Agricultural pursuits .....           | 1,807,050       | 22.4        |
| Manufacturing and mechanical pursuits | 1,772,095       | 21.9        |
| Trade and transportation.....         | 1,202,352       | 14.9        |
| Domestic and personal service.....    | 2,602,857       | 32.5        |
| Professional service .....            | 673,418         | 8.3         |
|                                       | <hr/> 8,075,772 | <hr/> 100.0 |

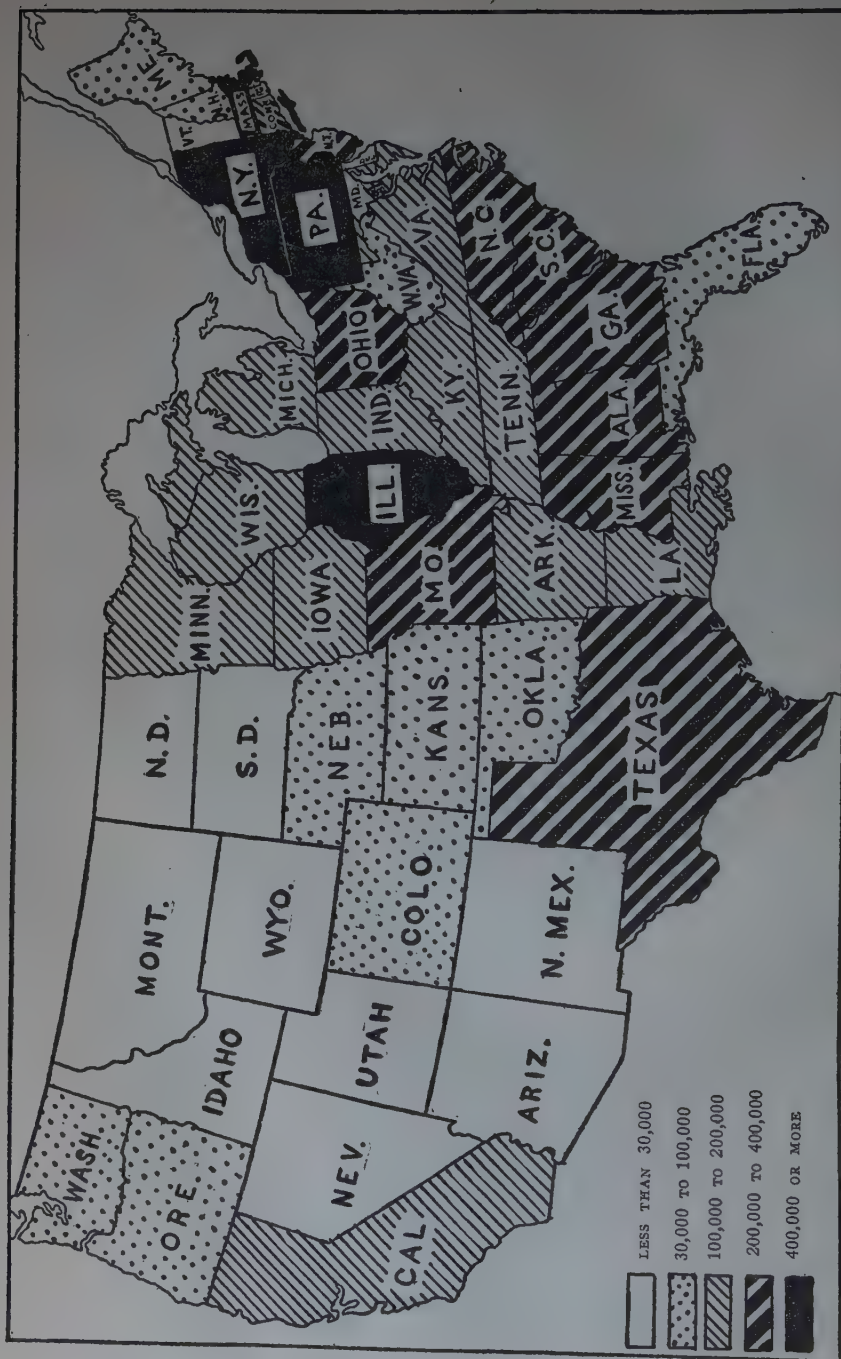
The proportion of women in domestic service has fallen off steadily from 44 per cent in 1880 and in this time the proportion in trade and transportation, which includes salesmanship, clerical, and stenographic work, has risen from only 2 per cent of the total number employed.

The proportion of women entering factory work has remained nearly stationary, though in certain large industries, including boots and shoes, canning and preserving, printing and publishing, tobacco, and silk and woolen manufactures, women are tending to displace men. On the whole, then, the work of women falls more and more along the lines in which they most often are subject to the strain of modern industry.

The chief general causes for this strain are the speed and monotony of many industrial processes, combined in many cases with long hours. A woman lifts a half-pound hinge, places it in the bending machine and quickly withdraws her hand. This movement is repeated fifty times a minute, 30,000 times a day.<sup>2</sup> The "shaker" in a steam laundry shakes out wet clothes all day long. The wrapper in a candy factory wraps 9,000 caramels in a day, while in a textile mill a single woman tends from sixteen to twenty-four looms and the clothing factory operative must watch a power machine with from two to twelve needles which tucks 250 yards of lawn in an hour. In the making of tungsten lamps, the almost invisible tungsten filament must be threaded through a tiny hole at the rate of three every two minutes or 1,000 a day.

<sup>2</sup> Frederick S. Lee, "Fatigue and Occupation." In Kober and Hanson, *Diseases of Occupation*, p. 259.





NUMBER OF FEMALES 10 YEARS OF AGE AND OVER, ENGAGED IN GAINFUL OCCUPATIONS,  
BY STATES

NUMBER OF FEMALES ENGAGED IN GAINFUL OCCUPATIONS COMPARED WITH THE  
TOTAL FEMALE POPULATION 10 YEARS OF AGE AND OVER BY STATES IN 1910

United States Census, 1910, Volume IV, *Occupation Statistics*

| State                      | Females 10 Years of Age and Over                    |                                   | Per Cent |
|----------------------------|---|-----------------------------------|----------|
|                            | Total Female Population<br>10 Years of Age and Over | Engaged in Gainful<br>Occupations |          |
| Alabama .....              | 768,160   | 314,330                           | 40.9     |
| Arizona .....              | 62,847  | 10,589                            | 16.8     |
| Arkansas .....             | 545,954   | 161,993                           | 29.7     |
| California .....           | 872,209   | 174,916                           | 20.1     |
| Colorado .....             | 290,162   | 53,641                            | 18.5     |
| Connecticut .....          | 445,079   | 119,981                           | 27.0     |
| Delaware .....             | 79,293  | 17,546                            | 22.1     |
| District of Columbia ..... | 147,105   | 52,921                            | 36.0     |
| Florida .....              | 265,613   | 73,161                            | 27.5     |
| Georgia .....              | 945,320   | 352,941                           | 37.3     |
| Idaho .....                | 102,235   | 13,038                            | 12.8     |
| Illinois .....             | 2,160,504   | 431,356                           | 20.0     |
| Indiana .....              | 1,051,638   | 155,731                           | 14.8     |
| Iowa .....                 | 847,558   | 131,514                           | 15.5     |
| Kansas .....               | 622,378   | 80,694                            | 13.0     |
| Kentucky .....             | 848,338   | 147,611                           | 17.4     |
| Louisiana .....            | 601,042   | 177,609                           | 29.6     |
| Maine .....                | 296,518   | 63,282                            | 21.3     |
| Maryland .....             | 516,529   | 130,280                           | 25.2     |
| Massachusetts .....        | 1,402,167   | 444,301                           | 31.7     |
| Michigan .....             | 1,072,417   | 186,183                           | 17.4     |
| Minnesota .....            | 746,589   | 145,605                           | 19.5     |
| Mississippi .....          | 641,789   | 305,366                           | 47.6     |
| Missouri .....             | 1,259,749   | 211,564                           | 16.8     |
| Montana .....              | 113,288   | 18,851                            | 16.6     |
| Nebraska .....             | 432,326   | 63,303                            | 14.6     |
| Nevada .....               | 23,414  | 4,375                             | 18.7     |
| New Hampshire .....        | 175,967   | 48,340                            | 27.5     |
| New Jersey .....           | 998,297   | 239,565                           | 24.0     |
| New Mexico .....           | 109,162   | 15,079                            | 13.8     |
| New York .....             | 3,683,601   | 983,686                           | 26.7     |
| North Carolina .....       | 797,161   | 272,990                           | 34.2     |
| North Dakota .....         | 184,072   | 29,046                            | 15.8     |
| Ohio .....                 | 1,878,720   | 346,712                           | 18.5     |
| Oklahoma .....             | 549,360   | 78,253                            | 14.2     |
| Oregon .....               | 230,914   | 40,473                            | 17.5     |
| Pennsylvania .....         | 2,901,033   | 605,436                           | 20.9     |
| Rhode Island .....         | 220,844   | 70,939                            | 32.1     |
| South Carolina .....       | 546,469   | 267,833                           | 49.0     |
| South Dakota .....         | 197,475   | 28,714                            | 14.5     |
| Tennessee .....            | 804,005   | 173,298                           | 21.6     |
| Texas .....                | 1,363,609   | 328,444                           | 24.1     |
| Utah .....                 | 127,769   | 18,427                            | 14.4     |
| Vermont .....              | 140,442   | 28,308                            | 20.2     |
| Virginia .....             | 765,793   | 168,700                           | 22.0     |
| West Virginia .....        | 420,601   | 54,100                            | 12.9     |
| Wisconsin .....            | 875,902   | 162,608                           | 18.6     |
| Washington .....           | 380,970   | 66,126                            | 17.4     |
| Wyoming .....              | 40,325  | 6,013                             | 14.9     |
| Total .....                | 34,552,712  | 8,075,772                         | 23.4     |

Unlike men, women seldom work in industries where there is great danger of fatal accident, but in addition to general strains, they often work in the presence of irritating dusts or poisons or under extremes of heat and cold. Women who silver mirrors must often work in rooms where the temperature reaches 104° F. In twine and jute mills women work in the steam and heat of the spinning rooms where the spray frequently wets their clothing to the waist and the pools of water on the floor compel them to go barefoot.

The inability of most women workers to protect themselves, the dangers to which they are exposed, and the harmful results to society of undermining the health of the future mothers of the race, have caused public opinion to demand special protection for women as a health measure. The principal form which such special protection has taken in this country is that of regulating hours of work. Special provisions for their safety, health, and comfort are occasionally found and a few classes of work are entirely forbidden. Recent legislation suggesting important new possibilities provides for the fixing of minimum wages and forbids work directly before and after childbirth. The special laws affecting American women wage-earners are described in detail in the pages which follow. In addition it must be remembered that women benefit also by general factory legislation, by workmen's compensation, and by other forms of social insurance.

## HOURS

One of the oldest, most frequent, and most important forms of protective legislation for women is the limitation of working hours. In 1916 only six American states, in most of which the number of women at work was comparatively small, had no such laws for any classes of work.

### *Daily Hours*

The limitation of daily hours of work is important both as a public health measure and as a measure for better citizenship. The great strain of modern industry has already been mentioned, and it has been pointed out that most women, with slighter strength and less nervous energy, feel the strain more quickly than most men. Only a sufficient time for rest can repair the resultant fatigue. If

this is not secured a decline in health results, which in the case of women may weaken the coming generation and thus menace the health of the race.

Though less emphasis has perhaps been placed on the civic aspect of the question, limitation of working hours is necessary on this ground also. Comparatively few women are so fortunate as to be employed in work which is valuable for moral and intellectual training and development; all must have leisure if they are to have opportunity for education and self-expression, to say nothing of the recreation that every normal human being craves. With the wider share in civic activities which is constantly opening to women it is especially important that they should have sufficient leisure to become alert, well-developed human beings.

From the economic point of view, also, shorter hours for women are a benefit. Attention of industrial managers is tardily being directed to the fact that in most sorts of work more can be accomplished, under modern conditions of speeding up, in a reasonably short work day than in a day regularly drawn out past the normal physiological limit. Thus the best interests of industry, the argument most frequently adduced against shorter hours, is really an added point in their favor.

The eight-hour day has as yet been given by law to but few women workers. The District of Columbia and a small group of western states, including Arizona, California, Colorado, and Washington, were in 1916 the only states making this restriction. The largest group of states, numbering twenty-eight, have the nine or ten-hour day and a weekly maximum of from fifty-four to sixty hours. The Women's Trade Union League has estimated that many more men than women have the eight-hour day by law. Twenty-nine states, the federal government, and the District of Columbia require the eight-hour day on public work. Fourteen states, among them most of the principal mining states, require the eight-hour day in mines and seven states have established an eight-hour day for railroad telegraphers. Almost all the beneficiaries of this legislation are men, while the number of women employed in most of the women's eight-hour states is comparatively small. It is doubtful also if women, who are seldom trade union members, have shared proportionately in the recent spread of the eight-hour day through collective action by the



workers. Eight-hour bills have several times been introduced into state legislatures and failed of passage on the ground of "interstate competition—we would like to pass it, but it would handicap our state compared with our neighbors." After such an experience in Massachusetts in 1916 the National Consumers' League and the Women's Trade Union League made plans to meet the objection by a national campaign for the eight-hour day. Conferences on the subject are being held throughout the country and it is planned to introduce eight-hour bills at the 1917 legislative sessions in forty states. Leaders of the movement even hope that following the principle of the federal child labor law Congress may be induced to bar from interstate commerce products made by women working more than eight hours a day.

American legislation has in general tended to cover large groups of industries with one and the same restriction. The earliest and the most rudimentary laws cover only manufacturing and perhaps the closely allied "mechanical" pursuits. Such was the scope of the early ten-hour law passed by Massachusetts in 1874, and to-day the work of women is limited in North Carolina in manufacturing and in Georgia in "cotton and woolen manufacturing" alone. As excessive hours and overstrain have been noted in other occupations, they have been added to the regulated groups. Work in mercantile establishments was first limited in the 'eighties. The best modern laws now cover either a long list of specified industries, as in California, where the eight-hour day applies to laundries, hotels and restaurants, lodging and apartment houses, hospitals, places of amusement, telephones and telegraphs, express and transportation, or are inclusive in general terms, as in Pennsylvania where hours are restricted in all occupations except farm work and domestic service. Aside from these two last-mentioned occupations, for which no regulation of hours has yet been attempted in America, the principal exceptions are the canning industry, and retail stores in the last week or so before Christmas. Both these exemptions are of course dictated entirely by the demands of business and leave many women unprotected at times of great industrial pressure. A few states exempt small establishments or the rural districts from the laws, apparently with the idea that rigid restrictions are not needed when personal relationships are possible and that they might

work hardship. Instances of excessive hours found under these circumstances do not bear out this idea.<sup>3</sup>

At the same time that the laws have been made more inclusive there has been a tendency to do away with permitted overtime. The chief classes of overtime exemptions still found in the statutes allow the working of a limited amount to make up time lost by the stoppage of machinery, to provide against emergencies endangering life or property in such occupations as the telephone and telegraph service, and to get a half-holiday on one day of the week by lengthening the other days' work. Occasionally, instead of removing all restrictions on hours from the Christmas rush in stores and from the canning business a stated amount of overtime is allowed. In order to prevent their abuse it has proved necessary to draft all overtime exemptions with great care. At the best they make enforcement of the law more difficult and from the standpoint of social welfare it is fortunate that they are being abandoned.

Another feature of American hour legislation is the provision for meal-times. A number of states require that an hour or forty-five minutes' time should be given for a "mid-day meal." This form of statute, however, does not prevent women from being worked continuously in rush times for an excessively long period. More effective, therefore, is the type of law found in such important industrial states as Massachusetts, New Jersey, and Pennsylvania which requires a pause of given length, from thirty minutes to an hour, after five or six hours' work.

A maximum hour law may, however, measure up to approved standards in length of work-period allowed, number of industries covered, and other points, and yet fail to protect women workers because it cannot be enforced. Little considered details in wording may in some cases vitally affect the usefulness of a statute. From 1867 to 1911 an eight-hour law for working women was on the statute books of Wisconsin. But during all those years the act was a dead letter because only employers who "compelled" women to work excessive hours could be prosecuted, and in any particular case it was difficult to prove that overtime was not "voluntary." The

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<sup>3</sup> Connecticut Bureau of Labor, report on *The Conditions of Wage-Earning Women and Girls*, 1914, pp. 53 and 73; Iowa Bureau of Labor Statistics, *Sixteenth Biennial Report*, 1914, pp. 122-183.

women's ten-hour law now in force in that state, though allowing a longer work day, affords more real protection because it stipulates that no woman "shall be employed or *permitted* to work" beyond the legal period. Clauses such as that in the early Wisconsin statute still nullify a few laws, for instance, those of North and South Dakota. Placing a penalty only on "willful" violations had a somewhat similar effect.

The detection of violations of hour laws presents an especially difficult problem. Unsafe and insanitary conditions can be detected by a single visit, but continued observations would ordinarily be needed to discover the length of working hours. As a substitute, "posting notices" or the keeping of "record books" is required by the best statutes. The notices must be posted in the work room and must state the exact hours of beginning and ending work for all female employees. Generally employment for "longer" than the posted hours is a violation of the law, but a few of the newer laws, as in Pennsylvania, penalize employment at any other times than those posted, which makes violations still easier of detection. Within the last few years several states in addition to or as a substitute for notices have required employers to keep record books giving the hours of each female employed. In omitting to fix a legal closing hour, however, most American states have neglected one of the most useful aids to enforcement..

In final analysis, however, the effectiveness of hour legislation depends, like other forms of factory legislation, on the efficiency of the administrative authorities. A few states will follow the early practise of depending on individual complaints for the enforcement of the law and not creating an inspection department. This method of procedure has been found to be entirely ineffective. Even when an inspection department exists the force may be entirely inadequate, with but one or two persons to cover several thousand establishments, or the inspectors may be incompetent or indifferent. Moreover, active inspectors often fail to receive proper support from judges in the prosecution of offenders. Penalties for violation are generally fines ranging from \$20 to \$500 with the alternative of imprisonment for a limited period, but the latter is seldom, if ever, inflicted, and flagrant offenders are often released on suspended sentence.

Recent application of the industrial commission idea to limitation

of women's hours has opened the way for securing not only better enforcement but also more scientific regulation. Under the industrial commission plan the general standards desired are defined by the legislature but it is left to a commission to work out, in close cooperation with employers, employees and experts, the detailed rules which put the standards into effect. The law establishing the Oregon Industrial Welfare Commission provides that the commission may after investigation fix "reasonable" hours of work for women. The principle is somewhat akin to the European method of modifying the general law by administrative orders, which may set hours longer or shorter than the general statute, according to the dangers or the special needs of the industry. Thus in the canton of Berne, Switzerland, girls cannot be employed on treadle machines for more than three consecutive hours.

The standards for hours worked out by an industrial commission are likely to be easier of enforcement because they are better known to employers and employees and because they represent to some extent their own ideas of reasonable regulation, agreed upon in a series of conferences, instead of being imposed from above.

The regulations worked out by the Oregon Industrial Welfare Commission are perhaps the best present illustration of the superior flexibility and ease of enforcement of the method which recognizes points of special strain as well as the legitimate demand of industry. For example, although the statute law sets a maximum limit of ten hours daily and sixty hours weekly for mercantile establishments, in Portland, where work is likely to be most taxing yet can most easily be concentrated into a short time and where the work is probably the farthest from home, daily hours in mercantile establishments are limited by the commission to eight and one-third and the closing hour is set at 6 P. M. In other parts of the state nine hours of work and an 8:30 P. M. closing hour are allowed.

The constitutionality of legislative limitations on the daily hours of women's work has now been definitely established on the basis of the police power of the state.

In the first important decision on this question a Massachusetts court, as early as 1876, upheld a law prohibiting women from working in factories more than ten hours a day or sixty hours a week.<sup>4</sup>

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<sup>4</sup>*Commonwealth v. Hamilton Mfg. Co.*, 125 Mass. 383.



The court held, "There can be no doubt that such legislation may be maintained either as a health or police regulation if it were necessary to resort to either of those powers. This principle has been so frequently recognized in this commonwealth that reference to the decisions is unnecessary." As to the question of whether the law violated the right of the worker to labor as long as she might see fit the decision is less satisfactory, for it merely says that "the law does not limit her right to labor as many hours per day or per week as she may desire," but prohibits her from working continuously for more than the specified time at factory work.

Before the next important decision on hour limitations was handed down the doctrine of entire "freedom of contract" between employer and employee had been developed.<sup>5</sup> This doctrine was reinforced by the idea that the free disposal of labor was a property right which was guaranteed by the fourteenth amendment to the federal constitution. Consequently in 1895 Illinois held that an eight-hour law for women in factories was an unconstitutional abridgement of the right of free contract.<sup>6</sup> The act was declared to be "a purely arbitrary restriction upon the fundamental rights of the citizen to control his or her own time and faculties. It substitutes the judgment of the legislature for the judgment of the employer and employee in a matter about which they are competent to agree with each other." The court was unable to uphold the law as a justifiable use of the police power. Again quoting from the decision, "When a health law is challenged in the courts as unconstitutional on the ground that it arbitrarily interferes with personal liberty and private property without due process of law the courts must be able to see that it has at least in fact some relation to the public health and that the public health is the end actually aimed at. This we have not been able to see in this law."

The doctrine that entire freedom of contract existed between employer and employee held sway in American jurisprudence until, in a decision dealing with the hours of men, the United States Supreme Court showed its fallacy in 1898.<sup>7</sup> Because of the inequality of bargaining power between employer and employee, due

<sup>5</sup> Laid down in *Godcharles v. Wigeman*, 113 Pa. St. 431, 6 Atl. 345 (1886), and *Millett v. People*, 117 Ill. 294, 7 N. E. 631 (1886).

<sup>6</sup> *Ritchie v. People*, 115 Ill. 98, 40 N. E. 454 (1895).

<sup>7</sup> *Holden v. Hardy*, 169 U. S. 366, 18 Sup. Ct. 383 (1898).

to the stronger economic position of the former, this oft-quoted opinion recognized that "the proprietors lay down the rules and the laborers are practically constrained to obey them." Moreover the opinion holds that "This right of contract, however, is in itself subject to certain limitations which the state may lawfully impose in the exercise of its police powers," powers which "may lawfully be resorted to for the purpose of preserving public health, safety, or morals, and a large discretion is necessarily vested in the legislature to determine not only what the interests of the public require, but what measures are necessary for the protection of such interest."

The reasons why women need particular protection were brought out within the next few years by three decisions of state courts.<sup>8</sup> These decisions emphasize the fact that women's weaker physique is more liable to harm from excessive hours of labor, and that, as the mothers of the race, women's health has a peculiar social importance. The opinion in the Washington case states the matter concisely. "It is a matter of universal knowledge with all reasonably intelligent people of the present age that continuous standing on the feet by women for a great many consecutive hours is deleterious to their health. It must logically follow that that which would deleteriously affect any great number of women who are the mothers of succeeding generations must necessarily affect the public welfare and the public morals."

The question of the limitation of women's working hours was finally passed upon by the federal Supreme Court in 1908. The influence exerted by opinions of this tribunal makes its decision upholding the Oregon ten-hour law one of great importance.<sup>9</sup> The relation of such legislation to the health of women and of the community was clearly brought out. Says the court: "Her physical structure and a proper discharge of her maternal functions—having in view not merely her own health but the well-being of the race—justify legislation to protect her . . . The limitations which this statute places upon her contractual powers, upon her right to agree with her employer as to the time she shall labor, are not imposed solely for her benefit, but also for the benefit of all." Besides the

<sup>8</sup> *Commonwealth v. Beatty*, 15 Super. Ct. (Pa.) 5 (1900); *Wenham v. State*, 65 Neb. 394, 91 N. W. 421 (1902); *State v. Buchanan*, 29 Wash. 602, 70 Pac. 52 (1902).

<sup>9</sup> *Muller v. Oregon*, 208 U. S. 412, 28 Sup. Ct. 324 (1908).

importance attaching to this decision the method of defending the law was interesting. The comprehensive brief prepared by Louis Brandeis and Josephine Goldmark subordinated the legal aspects of the question but brought together a mass of material on the actual effects of excessive hours on the health of women workers.

As a result of a similar brief and gradual change in public opinion, the Illinois Supreme Court was induced to modify its views. In 1910 that court handed down an opinion reversing its decision in the earlier Ritchie case and holding that the establishment of a ten-hour day for women was within the scope of the police power of the state.<sup>10</sup> The judges in this case did not spin legal theories but faced the facts concerning the ill effects on the health of women of excessive hours. "What we know as men," they declared, "we cannot profess to be ignorant of as judges."

The constitutionality of the ten-hour workday for women was definitely established by these decisions. It remained for the United States Supreme Court in 1915 to pass favorably upon the further restriction of women's hours in its decision upholding the California eight-hour law.<sup>11</sup> The opinion quotes at some length from the Oregon case, and then adds: "It is manifestly impossible to say that the mere fact that the statute of California provides for an eight hour day or a maximum of forty-eight hours a week, instead of ten hours a day or fifty-four hours a week, takes the case out of the dominion of legislative discretion. This is not to imply that a limitation of the hours of labor of women might not be pushed to a wholly indefensible extreme, but there is no ground for the conclusion here that the limit of the reasonable exertion of protective authority has been overstepped."

In many of these cases the additional point was urged against the laws that they were class legislation, unreasonably differentiating between various classes of citizens who were promised by the constitution "the equal protection of the law," since they included certain occupations and failed to include certain others. However, even in the earlier Ritchie case, where an eight-hour limitation was declared unconstitutional, "the objection to the particular and discriminating

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<sup>10</sup> *Ritchie v. Wayman*, 244 Ill. 509, 91 N. E. 695 (1910).

<sup>11</sup> *Miller v. Wilson*, 236 U. S. 373, 35 Sup. Ct. 342 (1915).

character of the law is not the leading objection."<sup>12</sup> The California law was attacked because of its inclusion of student nurses but the objection was not sustained.<sup>13</sup> The courts have generally given the legislature latitude in using discretion as to enlarging the scope of the laws<sup>14</sup> or classifying those groups most in need of protection.<sup>15</sup>

Thus the theoretical freedom of contract of the workers has been gradually circumscribed until it has been held constitutional for a legislature to limit women's working hours to eight a day.

The latest phase of the problem is not an effort further to limit the number of working hours but rather to make possible a change in the agency upon whom it shall devolve to fix hours. With the growth of industrial welfare commissions in several states there has been a tendency to grant to these commissions authority to determine hours in various industries and to make reasonable classification of industries.

Both in Oregon<sup>16</sup> and Wisconsin<sup>17</sup> state supreme courts have passed upon the granting of such powers to industrial welfare commissions. In the former case the decision holds that "The law does not delegate legislative power to the commission. It is authorized only to ascertain facts that will determine the localities, businesses, hours, and wages to which the law shall apply." A recent decision in Wisconsin reversed, after a rehearing, the earlier opinion of the court that such a law was invalid. The judges were of the opinion that the statute might properly be construed as laying down the "general rule that women shall not be permitted to work in any place for such a period as shall be prejudicial to their health and authorizing the industrial commission" to ascertain what classes of employment are dangerous to the health of female employees "and to determine as a fact how long females may be engaged in the several classes reasonably."

So recent is the application of this type of law to the regulation of industrial conditions that the question of its validity in this field

<sup>12</sup> George G. Groat, *Attitude of American Courts in Labor Disputes*, p. 301.

<sup>13</sup> *Bosley v. McLaughlin*, 236 U. S. 385, 35 Sup. Ct. 345 (1914).

<sup>14</sup> *People v. Eldering*, 254 Ill. 579, 98 N. E. 982 (1912).

<sup>15</sup> *Withey v. Bloem*, 163 Mich. 419, 128 N. W. 913 (1910).

<sup>16</sup> *Stettler v. O'Hara*, 69 Ore. 519, 139 Pac. 743 (1914).

<sup>17</sup> *State v. Lange Canning Co.*, 157 N. W. 777 (1916).



has not yet come before the federal Supreme Court for authoritative decision. The main point at issue, namely, whether authorizing a commission to issue orders with the force of law is an unlawful "delegation of legislative power," has, however, been repeatedly decided in the negative by this court in the fields of public health and of railway rate regulation. Thus the court upheld a Texas statute granting to a railroad commission power to fix rates on the ground that such a commission was merely an administrative board to carry out the will of the state.<sup>18</sup> It seems reasonable to expect, therefore, that if the question comes up with reference to industrial commissions, the federal Supreme Court will sustain these commissions in the exercise of their statutory powers.

### *Night Work*

"Next to child labor," declares the New York State Factory Investigating Commission, "night work of women is the greatest evil of modern industrial life." And the commission goes on to cite as the principal objections to such work the following: "Lack of sunlight; lack of normal sleep; no compensation in the restless, interrupted sleep of day for the sleeplessness of night; the abnormality of sleeping by day; abnormal change in daily life; the destruction of home life; impossibility of properly caring for home and children; lack of restraining influence; day work besides the arduous night tasks." The point is also made that night work is inferior to day work both in quality and quantity, and is therefore uneconomical.

In hemp and jute mills, twine factories, candy factories, book-binderies, canneries, and other establishments the commission found women engaged at work during the night, either on a separate night shift or else on overtime prolonged after a full day's work often till midnight or later. It was learned that married women thus engaged have on the average four and a half hour's sleep a day, the rest of their time being taken up with the preparation of meals, washing, caring for children, and other household tasks. Many snatched their sleep in beds still warm from use by their husbands who worked by day. Returning to their homes late at night or at dawn exposed these women to insult and attack. The breakdown

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<sup>18</sup> *Reagan v. Farmers' Loan and Trust Co.*, 154 U. S. 362, 14 Sup. Ct. 1047 (1894).

of physical and nervous strength was obvious in their "drawn white faces and stooping gait."

Similar conditions have been noted in other states where labor bureaus have investigated the matter, and working women have for the most part proved unable by their own action to correct them. Yet, beginning with Massachusetts in 1890, only eleven states have put any prohibition upon night work for women. Even where there is such legislation it fails to include all occupations in which the evil exists.

In striking contrast to our inadequate provisions has been the comprehensive action of European countries. In 1906 a conference called by the International Association for Labor Legislation was held at Berne for the purpose of adopting a general agreement looking to the prohibition of night work for women. Representatives attended from fourteen European powers: Austria, Belgium, Denmark, France, Germany, Great Britain, Hungary, Italy, Luxemburg, Portugal, Spain, Sweden, Switzerland, and the Netherlands. The evils of night work were clearly brought out and as a result of the international agreement entered into at this conference practically all the powers had by January 1, 1912, enacted and put in force legislation to prohibit the industrial night work of females and to insure them a minimum of eleven consecutive hours for rest including the period between 10 P. M. and 5 A. M.

Lack of favorable legislative action on night work prohibitions in this country may be in part attributed to the earlier unfavorable attitude of the New York Court of Appeals which in 1907 held such legislation to be an undue interference with the right of free contract, an unjustifiable extension of the police power, and unfair discrimination against females.<sup>19</sup> "I find nothing in the language of this section," says the court, "which suggests the purpose of promoting health except as it might be inferred that for a woman to work during the forbidden hours of night would be unhealthful," which seemed to the judge to be insufficient justification for the statute. In the effort to preserve for women their entire freedom of contract no account is taken of sex differences as a justification for special protection to women. In 1915, however, the court

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<sup>19</sup> *People v. Williams*, 189 N. Y. 131, 91 N. E. 778 (1907).

# LEGAL LIMITATION OF WORKING HOURS FOR WOMEN IN THE UNITED STATES

The following states have no laws regulating the working hours of women in any industry: Alabama, Florida, Iowa, Nevada, New Mexico, West Virginia.

| I<br>STATE   | II<br>MAXIMUM<br>DAY <sup>1</sup>  | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED  | V<br>OVERTIME ALLOWED  | VI<br>NIGHT WORK<br>PROHIBITED <sup>2</sup> |
|--|--|----------------------|--|--|---|
| <b>ARIZONA</b><br>Penal Code<br>1913, Sec.<br>717.                             | 8  | 56                   | Mercantile<br>Confectionery<br>Bakery<br>Laundry<br>Hotel and restaurant<br>Telephone and telegraph.<br><i>Exceptions:</i> Female nurses; telephone and telegraph offices employing less than 4 females.   | 2 hours on 1 day weekly in mercantile establishments, confectioneries and bakeries having a 6-day working week.                                      |   |
| <b>ARKANSAS</b><br>Laws 1915,<br>C. 191.                                       | 9<br>6-day week  | 54                   | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Express and transportation.<br><i>Exceptions:</i> Establishments employing less than 4 females, or working less than 4 employees at the same time in the same building on the same kind of work; cotton factories; gathering and preserving fruits and perishable farm products.       | By permission of commission, for not more than 90 days annually in industries handling perishable products, time and a half to be paid for overtime. |   |
| <b>CALIFORNIA</b><br>Laws 1911,<br>C. 258.<br>Am'd by<br>Laws 1913,<br>C. 352. | 8  | 48                   | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant<br>Public lodging house and apartment house<br>Hospital<br>Place of amusement<br>Telephone and telegraph<br>Express and transportation.<br><i>Exceptions:</i> Graduate nurses in hospitals; harvesting, curing, canning, drying perishable fruits and vegetables. |  |   |
| Laws 1913,<br>C. 324.<br>Am'd by<br>Laws 1915,<br>C. 571.                      | Industrial Welfare Commission may fix maximum hours consistent with health and welfare, but not in excess of maximum fixed by statute. |                      | All.   |  |   |
| Order of Industrial Welfare Commission.  | 10<br>6-day week   | 60                   | Fruit and vegetable canning.   | 12 hours weekly and 7-day week in cases of emergency, time and a quarter to be paid for overtime.  |   |

<sup>1</sup> A few states, such as Rhode Island, seek to prevent excessive hours in night work, which may be held to fall on two successive days, by making the daily limit apply to "any twenty-four consecutive hours." A few other states, such as Arizona and Wyoming, provide that the permitted daily hours must fall within a specified period, usually twelve hours.

<sup>2</sup> Sometimes in women's hour laws, but more frequently in connection with child labor legislation, night work is forbidden to girls under 18 or 21, when there is no similar restriction for boys of the same ages. States having such regulations include Arizona, Arkansas, District of Columbia, Hawaii, Indiana, Louisiana, Massachusetts, Michigan, Mississippi, New Hampshire, New York, Ohio, Oklahoma, Oregon, and Pennsylvania. These prohibitions are not tabulated here, for like the laws which fix shorter limits for daily working hours for girls than for boys of the same age, they properly come under the head of child labor legislation.

| I<br>STATE   | II<br>MAXIMUM<br>DAY | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED   | V<br>OVERTIME ALLOWED  | VI<br>NIGHT WORK<br>PROHIBITED  |
|--|----------------------|----------------------|---|--|---|
| <b>COLORADO</b><br>Initiated law.<br>Approved<br>by people<br>Nov. 5,<br>1912.               | 8                    | —                    | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant.   |  |   |
| <b>CONNECTICUT</b><br>Laws 1909,<br>C. 220.<br>Am'd by<br>Laws 1913,<br>C. 179.              | 10<br>—              | 55<br>58             | Manufacturing<br>Mechanical<br>Mercantile.  | December 17-25 in<br>mercantile establish-<br>ments if employer<br>grants at least 7 holi-<br>days with pay annu-<br>ally. | After 10 P. M.<br>in mercantile<br>establishments.  |
| <b>DISTRICT OF<br/>COLUMBIA</b><br>Public 60,<br>63d Con-<br>gress, 2d<br>Session<br>(1914). | 8                    | 48                   | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant<br>Telephone and tele-<br>graph<br>Express and transpor-<br>tation.  |  |   |
| <b>DELAWARE</b><br>Laws 1913,<br>C. 175.   | 10                   | 55                   | Manufacturing<br>Mechanical<br>Mercantile<br>Bakery<br>Laundry<br>Printing<br>Telephone and tele-<br>graph.<br><i>Exception:</i> Canning<br>and preserving perish-<br>able fruits and vege-<br>tables.  | 2 hours on 1 day week-<br>ly provided weekly<br>maximum does not ex-<br>ceed 55 hours.                                     | Work limited to<br>8 hours in 24<br>if any part<br>falls between<br>11 P. M. and<br>7 A. M. |
| <b>GEORGIA</b><br>Code 1910,<br>Sec. 3187.<br>Am'd by<br>Laws 1911,<br>p. 65.                | 10                   | 60                   | Cotton and woolen<br>manufacturing.<br><i>Exceptions:</i> Engineers,<br>firemen, watchmen,<br>teamsters, mechanics,<br>yard employees, clerical<br>force, cleaners, re-<br>pairmen.   | On maximum of 10<br>days, to make up time<br>lost by accident or<br>other unavoidable cir-<br>cumstance.                   |   |
| <b>IDAHO</b><br>Laws 1913,<br>C. 86.   | 9                    | —                    | Mercantile<br>Mechanical<br>Laundry<br>Hotel and restaurant<br>Office<br>Telephone and tele-<br>graph<br>Express and transpor-<br>tation.<br><i>Exceptions:</i> Harvest-<br>ing, drying, packing,<br>canning perishable<br>fruits and vegetables. |  |   |
| <b>ILLINOIS</b><br>Laws 1909,<br>p. 212.<br>Am'd by<br>Laws 1911,<br>p. 328.                 | 10                   | —                    | Factory<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant<br>Place of amusement<br>Public institution<br>Telephone and tele-<br>graph<br>Express and transpor-<br>tation<br>Public utility and com-<br>mon carrier.                  |  |   |



| I<br>STATE   | II<br>MAXIMUM<br>DAY | III<br>HOURS<br>WEEK  | IV<br>ESTABLISHMENTS<br>COVERED   | V<br>OVERTIME ALLOWED  | VI<br>NIGHT WORK<br>PROHIBITED                      |
|--|----------------------|---|---|--|---|
| <b>INDIANA</b><br>Ann. Stat.<br>1901, Sec.<br>7087c.   |                      |   |   |  | 10 P.M.-6 A.M.<br>in manufactur-<br>ing.            |
| <b>KANSAS</b><br>Laws 1915,<br>C. 275.<br><br>Order of<br>Industrial<br>Welfare<br>Commis-<br>sion.      | Industrial           | Welfare<br>Commission may<br>fix maximum hours<br>consistent with<br>health and welfare<br>of women workers.<br>9 | All.<br><br>Mercantile.   |  | After 9 p. m. in<br>mercantile es-<br>tablishments. |
| <b>KENTUCKY</b><br>Laws 1912,<br>C. 77.  | 10                   | 60  | Manufacturing<br>Mechanical<br>Mercantile<br>Bakery<br>Laundry<br>Hotel and restaurant<br>Telephone and tele-<br>telegraph.   |  |   |
| <b>LOUISIANA</b><br>Laws 1908,<br>No. 301.<br>Am'd by<br>Laws 1914,<br>No. 133;<br>Laws 1916,<br>C. 177. | 10                   | 60  | Manufacturing<br>Workshop<br>Mercantile<br>Laundry<br>Packing house<br>Mine<br>Millinery or dressmak-<br>ing store<br>Hotel and restaurant<br>Theater, concert hall,<br>in or about any place<br>of amusement where<br>intoxicating liquors<br>are sold<br>Bowling alley<br>Bootblacking<br>Elevator<br>Transmission and dis-<br>tribution of all mes-<br>sages, including tele-<br>phone and telegraph.<br>and merchandise<br>Any other occupation<br>whatsoever.<br><i>Exception:</i> Agricultural<br>pursuits; Saturday<br>nights in mercantile<br>establishments employ-<br>ing more than 5 per-<br>sons. |  |   |
| <b>MAINE</b><br>Laws 1915,<br>C. 350.  | 9                    | 54  | Manufacturing<br>Mechanical<br>Laundry.<br><i>Exception:</i> Manufactur-<br>ing or business estab-<br>lishment, the products<br>or materials of which<br>are perishable.<br>Mercantile<br>Restaurant<br>Telephone exchange em-<br>ploying more than 3<br>persons and telegraph<br>Express and transpor-<br>tation.<br><i>Exceptions:</i> Dec. 17-24;<br>8 days prior to Easter<br>Sunday in millinery<br>establishments.  | In order to get 1 short<br>day weekly, provided<br>weekly maximum is<br>not exceeded.<br><br>Public service in cases<br>of emergency in which<br>property, life, public<br>health or safety is in<br>danger or in cases of<br>extraordinary public<br>requirement. |   |

| I<br>STATE   | II<br>MAXIMUM<br>DAY | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED   | V<br>OVERTIME ALLOWED   | VI<br>NIGHT WORK<br>PROHIBITED  |
|--|----------------------|----------------------|---|---|---|
| <b>MARYLAND</b><br>Laws 1912,<br>C. 79.<br>Am'd by<br>Laws 1916,<br>C. 147.  | 10                   | 60                   | Manufacturing<br>Mechanical<br>Mercantile<br>Bakery<br>Laundry<br>Printing.<br><i>Exception:</i> Canning or<br>preparing for canning<br>perishable fruits and<br>vegetables.  | 2 hours on Saturdays<br>and on the 6 working<br>days preceding Christ-<br>mas in retail mercan-<br>tile establishments out-<br>side Baltimore, provid-<br>ed that on such days<br>women so employed<br>have at least 2 rest<br>periods of at least 1<br>hour each and that<br>during the remainder<br>of the year the work-<br>ing day is not more<br>than 9 hours.   | Work limited to<br>8 hours in 24<br>if any part<br>falls between<br>10 P.M. and 6<br>A.M.                             |
| <b>MASSACHUSETTS</b><br>Laws 1909,<br>C. 541.<br>Am'd by<br>Laws 1913,<br>C. 758;<br>Laws 1915,<br>C. 57;<br>Laws 1916,<br>C. 222.                                   | 10<br>6-day          | 54<br>week           | Manufacturing<br>Mechanical<br>Mercantile<br>Telephone and tele-<br>graph<br>Express and transpor-<br>tation.   | 4 hours weekly in "seas-<br>onal" industries, with<br>permission of Board<br>of Labor and Indus-<br>tries, provided annu-<br>al weekly average<br>does not exceed 54<br>hours; to make up<br>time lost on a pre-<br>vious day of same week<br>by stoppage of ma-<br>chinery for more than<br>30 consecutive min-<br>utes unless for the<br>celebration of a holi-<br>day; cases of emer-<br>gency and extraordi-<br>nary public require-<br>ment in public service<br>businesses. | 6 P.M.-6 A.M. in<br>textile manu-<br>factories.<br>10 P.M.-6 A.M. in<br>other manufac-<br>turing estab-<br>lishments. |
| Laws 1911,<br>C. 313.<br>Am'd by<br>Laws 1912,<br>C. 452.  | —                    | 56                   | Workshop for altering<br>and repairing gar-<br>ments connected with<br>retail mercantile estab-<br>lishments.   |   |   |
| <b>MICHIGAN</b><br>Laws 1909,<br>No. 285.<br>Am'd by<br>Laws 1911,<br>No. 220;<br>Laws 1915,<br>No. 255.   | 10                   | 54                   | Manufacturing<br>Workshop<br>Mercantile<br>Laundry<br>Warehouse<br>Clothing, millinery and<br>dressmaking<br>Restaurant<br>Office.<br><i>Exception:</i> Preserving<br>perishable goods in<br>fruit and vegetable<br>canning establishments. |   |   |
| <b>MINNESOTA</b><br>Laws 1913,<br>C. 581.  | 9                    | 54                   | Manufacturing<br>Mechanical<br>Telephone and tele-<br>graph, 1st and 2d class<br>cities.  | In order to get 1 short<br>day weekly; 1 hour in<br>retail mercantile stores<br>on Saturday, provided<br>weekly maximum is<br>not exceeded.   |   |
|  | 10                   | 58                   | Mercantile<br>Restaurant, lunch room,<br>eating house and<br>kitchen operated in<br>connection therewith.<br>(In 1st and 2d class<br>cities.)   |   |   |
| Laws 1909,<br>C. 499.<br>(According to opin-<br>ion of at-<br>torney gen-<br>eral, 1913<br>law did not<br>repeal 1909<br>law outside<br>1st and 2d<br>class cities.) | 10                   | 58                   | Manufacturing<br>Mechanical<br>(Outside 1st and 2d<br>class cities.)  | In order to get 1 short<br>day weekly, provided<br>weekly maximum is<br>not exceeded; to make<br>up time lost on pre-<br>vious day of same<br>week by stoppage of<br>machinery for more<br>than 30 consecutive<br>minutes.  |   |
|  | —                    | 58                   | Mercantile, outside 1st<br>and 2d class cities.<br><i>Exception:</i> Canning and<br>preserving perishable<br>fruits, grains, and<br>vegetables for 6 weeks<br>annually.   |   |   |

WORKING HOURS FOR WOMEN—*Continued*

| I<br>STATE   | II<br>MAXIMUM<br>DAY | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED   | V<br>OVERTIME ALLOWED  | VI<br>NIGHT WORK<br>PROHIBITED  |
|--|----------------------|----------------------|---|--|---|
| <b>MISSISSIPPI</b><br>Laws 1914,<br>C. 165.  | 10                   | 60                   | Mercantile<br>Laundry<br>Millinery or dress-<br>making store<br>Office<br>Theater<br>Telephone and tele-<br>graph<br>Any other occupation<br>not here enumerated.   | In cases of emergency<br>or public necessity.  |   |
| <b>MISSOURI</b><br>Laws 1909,<br>Sec. 7815.<br>Am'd by<br>Laws 1913,<br>p. 400.            | 9                    | 54                   | Manufacturing<br>Mechanical<br>Mercantile<br>Bakery<br>Laundry<br>Restaurant<br>Place of amusement<br>Stenographic and cler-<br>ical work in above in-<br>dustries.<br>Public institution<br>Express and transpor-<br>tation<br>Public utility.<br><i>Exceptions:</i> Establish-<br>ments canning and<br>packing perishable<br>farm products in<br>places under 10,000<br>population for 90 days<br>annually; telephone<br>and telegraph. |  |   |
| <b>MONTANA</b><br>Laws 1913,<br>C. 108.  | 9                    | —                    | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant<br>Telephone and tele-<br>graph.   | When life or property<br>is in imminent danger,<br>provided extra pay is<br>given; 1 hour daily in<br>retail stores during<br>week preceding Christ-<br>mas. |   |
| <b>NEBRASKA</b><br>Revised Stat.<br>1913, Sec.<br>3564.<br>Am'd by<br>Laws 1915,<br>C. 71. | 9                    | 54                   | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant<br>Office<br>Public service corpora-<br>tion<br>(In cities over 5,000<br>population).  |  | 10 P.M.-6 A.M.<br>in cities over<br>5,000, in manu-<br>facturing, me-<br>chanical, mer-<br>cantile estab-<br>lishments, laun-<br>dries, hotels,<br>restaurants. |
| <b>NEW HAMPSHIRE</b><br>Laws 1913,<br>C. 156.<br>Am'd by<br>Laws 1915,<br>C. 164.          | 10½                  | 55                   | Manufacturing<br>Mechanical<br>Mercantile<br>Confectionery<br>Laundry<br>Restaurant<br>Express and transpor-<br>tation.<br><i>Exception:</i> Mercantile<br>establishments on 7<br>days preceding Christ-<br>mas, provided annual<br>weekly average does<br>not exceed 55 hours.   |  |   |

| I<br>STATE   | II<br>MAXIMUM<br>DAY  | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED   | V<br>OVERTIME ALLOWED  | VI<br>NIGHT WORK<br>PROHIBITED  |
|--|---|----------------------|---|--|---|
| <b>NEW JERSEY</b><br>Laws 1911,<br>C. 273.<br>Am'd by<br>Laws 1912,<br>C. 216.                             | 10<br>6-day week  | 60                   | Manufacturing<br>Mercantile<br>Bakery<br>Laundry<br>Restaurant.<br><i>Exceptions:</i> Canneries<br>engaged in packing<br>perishable products;<br>mercantile establish-<br>ments on 6 working<br>days preceding Christ-<br>mas.  |  |   |
| <b>NEW YORK</b><br>Laws 1909,<br>C. 36.<br>Am'd by<br>Laws 1912,<br>C. 539;<br>Laws 1913,<br>Cs. 83, 465.  | 9<br>6-day week   | 54                   | Manufacturing<br>Workshop<br>Laundry.   | 1 hour daily in order<br>to get 1 or more short<br>days weekly, provided<br>weekly maximum is<br>not exceeded; 1 hour<br>daily, 6 hours weekly,<br>June 15-October 15 in<br>establishments canning<br>perishable products; 3<br>hours daily, 12 hours<br>weekly, June 25-Aug-<br>ust 5 in such estab-<br>lishments by permis-<br>sion of Industrial<br>Commission. | 10 P.M.-6 A.M.<br>in manufactur-<br>ing establish-<br>ments, work-<br>shops, laundries.       |
| Laws 1909,<br>C. 36.<br>Am'd by<br>Laws 1913,<br>C. 493;<br>Laws 1914,<br>C. 331.<br>Laws 1915,<br>C. 386. | 9<br>6-day week   | 54                   | Mercantile in cities and<br>villages over 3,000<br>population.<br><i>Exceptions:</i> Dec. 18-24;<br>2 days annually for<br>purposes of stock-<br>taking.  | 1 day weekly in order<br>to get 1 or more short-<br>er days weekly.  | 10 P.M.-7 A.M.<br>in mercantile<br>establishments<br>in cities and<br>villages over<br>3,000. |
| <b>NORTH CAROLINA</b><br>Laws 1911,<br>C. 85.  | —   | 60                   | Manufacturing.<br><i>Exceptions:</i> Engineers,<br>firemen, superintend-<br>ents, overseers, section<br>and yard hands, office<br>men, watchmen, re-<br>pairers of breakdowns.  |  |   |
| <b>OHIO</b><br>Code 1910,<br>Sec. 1008.<br>Am'd by<br>Acts 1913,<br>p. 555.                                | 10  | 54                   | Factory<br>Workshop<br>Mercantile in any city<br>Millinery or dressmak-<br>ing<br>Restaurant<br>Distribution and trans-<br>mission of messages<br>Telephone and tele-<br>graph.<br><i>Exceptions:</i> Canneries<br>and establishments<br>preparing for use<br>perishable goods. |  |   |
| Acts 1913,<br>p. 95.   | Industrial Commis-<br>sion may fix rea-<br>sonable maximum<br>hours consistent<br>with health and<br>welfare and not<br>inconsistent with<br>law. |                      | All.  |  |   |



## WORKING HOURS FOR WOMEN—Continued

| I<br>STATE  | II<br>MAXIMUM<br>DAY        | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED   | V<br>OVERTIME ALLOWED  | VI<br>NIGHT WORK<br>PROHIBITED   |
|---|-----------------------------|----------------------|---|--|--|
| <b>OKLAHOMA</b><br>Laws 1915,<br>C. 148.  | 9                           | —                    | Manufacturing<br>Mechanical<br>Mercantile<br>Bakery<br>Warehouse<br>Printing and bookbind-<br>ing<br>Hotel and restaurant<br>Place of amusement<br>Office<br>Telephone.<br><i>Exceptions:</i> Towns and<br>cities of less than<br>5,000 population; reg-<br>istered pharmacists,<br>stenographers, nurses.  | Telephone operators in<br>time of disaster and<br>epidemic; 1 hour daily<br>in hotels in cases of<br>emergency; consent<br>of employee to be se-<br>cured and at least<br>double time to be paid<br>for overtime in all<br>cases.  |  |
| <b>OREGON</b><br>Laws 1907,<br>C. 220.<br>Am'd by<br>Laws 1909,<br>C. 138.  | 10                          | 60                   | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant<br>Telephone and tele-<br>graph<br>Express and transpor-<br>tation   |  |  |
| Above mod-<br>ified by or-<br>ders of In-<br>dustrial<br>Welfare<br>Commission<br>in accord-<br>ance with<br>Laws 1913,<br>C. 62. | 9                           | 54                   | Manufacturing.<br><i>Exceptions:</i> Fruit and<br>vegetable drying, can-<br>ning, preserving, pack-<br>ing; woolen mill.<br>Mercantile outside<br>Portland<br>Laundry<br>Personal service (in-<br>cludes manicuring,<br>hair-dressing, ushers<br>in theaters)<br>Telephone in Portland.<br>Woolen mill<br>Office in Portland<br>Mercantile in Portland. | Maximum of 6 hours'<br>work on every 7th day<br>in telegraph establish-<br>ments.<br>One day of rest and 1<br>6-hour day in every<br>14 consecutive days<br>in telephone establish-<br>ments outside Port-<br>land, except by special<br>license in establish-<br>ments employing less<br>than 10 operators.<br>Different hours by spe-<br>cial license for rural<br>telephone establish-<br>ments which do not<br>require uninterrupted<br>attention of operator. | After 6 p.m. in<br>mercantile in<br>Portland, except<br>confectioneries<br>and hotel cigar<br>stands.<br>After 8.30 p.m.<br>in mercantile<br>outside Port-<br>land, except<br>confectioneries<br>and hotel cigar<br>stands, and in<br>manufacturing<br>and laundry es-<br>tablishments.<br>At least 9 hours'<br>rest between<br>any 2 consecu-<br>tive days' em-<br>ployment in<br>any occupation. |
|   | 10                          | 54                   |   |  |  |
|   | —                           | 51                   |   |  |  |
|   | 8 1/3                       | 50                   |   |  |  |
|   | 6-day week for the<br>above |                      |   |  |  |
|   | 9                           | 54                   | Telegraph in Portland<br>Telephone and tele-<br>graph outside Port-<br>land<br>Public housekeeping<br>(includes hotel, res-<br>taurant, boarding<br>house).   |  |  |
| Laws 1915,<br>C. 35.  |                             |                      |   | Industrial Welfare<br>Commission may per-<br>mit overtime in emer-<br>gencies, time and a<br>half to be paid for<br>overtime. Exception<br>must apply to all em-<br>ployers in same indus-<br>try or occupation.   |  |

| I<br>STATE  | II<br>MAXIMUM<br>DAY | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED  | V<br>OVERTIME ALLOWED   | VI<br>NIGHT WORK<br>PROHIBITED  |
|---|----------------------|----------------------|--|---|---|
| <b>PENNSYLVANIA</b><br>Laws 1913,<br>No. 466.<br>Am'd by<br>Laws 1915,<br>No. 327.    | 10<br>6-day          | 54<br>week           | All.<br><i>Exceptions:</i> Canning<br>fruit or vegetable prod-<br>ucts; nurses in hos-<br>pitals; work in private<br>homes and on farms.                                 | 2 hours daily to make<br>up time lost by stop-<br>page of machinery<br>for at least 30 con-<br>secutive minutes in<br>same week, or on not<br>more than 3 days to<br>make up time lost<br>through a legal holi-<br>day in same week,<br>provided in both cases<br>weekly maximum is<br>not exceeded; weekly<br>holiday may be split<br>into 2 days of 12<br>hours each for em-<br>ployees in hotels,<br>boarding houses,<br>charitable, education-<br>al, and religious in-<br>stitutions at discretion<br>of Industrial Board. | 10 P. M.-6 A. M.<br>in manufactur-<br>ing establish-<br>ments, except<br>managers, su-<br>perintendents,<br>clerks, stenog-<br>raphers. |
| <b>PORTO RICO</b><br>Laws 1913,<br>No. 42.<br>Am'd by<br>Laws 1913,<br>No. 139.       | 8                    | 48                   | Lucrative occupations.<br><i>Exceptions:</i> Stenog-<br>raphers; typewriters; of-<br>fice assistants; tele-<br>phone and telegraph<br>operators; nurses; do-<br>mestics. | 1 hour daily, provided<br>weekly maximum is<br>not exceeded, double<br>time to be paid for<br>overtime.   | 10 P. M.-6 A. M.  |
| <b>RHODE ISLAND</b><br>Laws 1909,<br>C. 249.<br>Am'd by<br>Laws 1913,<br>C. 912.      | 10                   | 54                   | Manufacturing<br>Mechanical<br>Mercantile<br>Business.   |   |   |
| <b>SOUTH CAROLINA</b><br>Code 1912,<br>Sec. 421.<br>Am'd by<br>Laws 1916,<br>C. 547.  | 11                   | 60                   | Cotton and woolen<br>manufacturing.<br><i>Exceptions:</i> Mechanics;<br>engineers; firemen;<br>watchmen; teamsters;<br>yard employees; cler-<br>ical force.              | 60 hours annually to<br>make up time lost<br>from accident or other<br>unavoidable cause,<br>provided the overtime<br>is worked during the<br>year beginning Janu-<br>ary 1st in which it oc-<br>curred and within 3<br>months of its occur-<br>rence.  |   |
| Code 1912,<br>Sec. 430.<br>Am'd by<br>Laws 1914,<br>C. 262.                           | 12                   | 60                   | Mercantile.  |   | After 10 P. M.  |
| <b>SOUTH DAKOTA</b><br>Laws 1913,<br>C. 240.  | 10                   | —                    | All.<br><i>Exceptions:</i> Farm la-<br>borers; domestic ser-<br>vants; care of live<br>stock.  |   |   |
| <b>TENNESSEE</b><br>Laws 1913,<br>C. 12.<br>Am'd by<br>Laws 1915,<br>Cs. 144,<br>172. | 10½                  | 57                   | All.<br><i>Exceptions:</i> Fruit and<br>vegetable canning;<br>agriculture; domestic<br>service.  |   |   |

## WORKING HOURS FOR WOMEN—Continued

| I<br>STATE   | II<br>MAXIMUM<br>DAY  | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED  | V<br>OVERTIME ALLOWED   | VI<br>NIGHT WORK<br>PROHIBITED   |
|--|---|----------------------|--|---|--|
| <b>TEXAS</b><br>Laws 1915,<br>C. 56.   | 9   | 54                   | All.<br><i>Exceptions:</i> Stenographers; pharmacists; telephone and telegraph; mercantile in rural districts and in cities and towns of less than 3,000 population.   | In cases of extraordinary emergency, provided consent of employee is secured; 2 hours daily in laundries, provided weekly maximum is not exceeded; 1 hour daily, 6 hours weekly in manufacture of cotton, woolen, and worsted goods, and articles manufactured out of cotton goods; at least double time to be paid for all overtime. |  |
| <b>UTAH</b><br>Laws 1911,<br>C. 133.<br>Laws 1915,<br>C. 23.   | 9   | 54                   | Manufacturing<br>Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant<br>Hospital<br>Office<br>Telephone and telegraph<br>Express and transportation.<br><i>Exceptions:</i> If materials are liable to spoil; emergencies in hospitals where life or property is in imminent danger.  |   | After 6 P.M. in wholesale and retail mercantile and commercial houses, except drug stores and establishments dealing mainly in perishable food stuffs, in cities of 10,000 and over, except the 6 working days before Christmas. |
| <b>VERMONT</b><br>Laws 1913,<br>No. 85.  | 11  | 58                   | Manufacturing<br>Mechanical.   |   |  |
| <b>VIRGINIA</b><br>Code 1904,<br>Sec. 3657 b.<br>Am'd Acts<br>1912, C.<br>248; Acts<br>1914, C.<br>158.                      | 10  | —                    | Manufacturing<br>Workshop<br>Mercantile<br>Laundry.<br><i>Exceptions:</i> Packers of fruit and vegetables between July 1 and November 1; canning and fish packing in country districts; mercantile establishments in country districts and towns of less than 2,000 population; persons employed full time as bookkeepers, stenographers, cashiers, and office assistants. |   |  |
| <b>WASHINGTON</b><br>Laws 1911,<br>C. 37.<br><br>Order of Industrial Welfare Commission in accordance with Laws 1915, C. 68. | 8<br><br>Day shift, 9-10 hours<br>Night shift, 10-14 hours. | —                    | Mechanical<br>Mercantile<br>Laundry<br>Hotel and restaurant.<br><i>Exceptions:</i> Harvesting, packing, curing, drying, canning perishable fruits and vegetables; canning fish and shellfish.<br>Telephone industry in rural communities and cities of less than 3,000 population.   |   |  |

| I<br>STATE  | II<br>MAXIMUM<br>DAY | III<br>HOURS<br>WEEK | IV<br>ESTABLISHMENTS<br>COVERED  | V<br>OVERTIME ALLOWED | VI<br>NIGHT WORK<br>PROHIBITED  |
|---|----------------------|----------------------|--|-----------------------|---|
| <b>WISCONSIN</b><br>Laws 1911,<br>C. 548.<br>Am'd by<br>Laws 1913,<br>C. 381. | 10                   | 55                   | Manufacturing<br>Mechanical<br>Mercantile<br>Confectionery<br>Laundry<br>Restaurant<br>Telephone and tele-<br>graph<br>Express and transpor-<br>tation.<br><br>All.  |                       | Work limited to<br>8 hours in any<br>one night, 48<br>hours in any<br>one week, if<br>all <sup>3</sup> falls be-<br>tween 8 P. M.<br>and 6 A. M. on<br>more than 1<br>night weekly. |
| <b>WYOMING</b><br>Laws 1915,<br>C. 45.  | 10                   | 56                   | Manufacturing<br>Mechanical<br>Mercantile<br>Bakery<br>Laundry<br>Printing<br>Canning<br>Hotel and restaurant<br>Theater and place of<br>public amusement<br>Telephone offices and<br>exchanges employing<br>more than 3 females.<br><i>Exceptions:</i> Hotels and<br>restaurants operated<br>by railroad companies. |                       |   |

<sup>3</sup> The Wisconsin night work law, which states that "night work is done between 8 o'clock P. M. and 6 o'clock A. M. of the following day" was formerly construed by the Industrial Commission as applying to work, any part of which fell between these hours. But the state supreme court held in *State v. Lange Canning Co.*, 157 N. W. 777 (1916) that night work was only work all of which was done between 8 P. M. and 6 A. M.



unanimously reversed its earlier decision.<sup>20</sup> In a brief submitted by Louis Brandeis and Josephine Goldmark, emphasis was placed not so much on the legal aspects of the question as the social and economic data which showed the need for the restriction. The answer to the challenge that the law interferes unduly with freedom of contract the court holds to be the fact that "Nightwork in factories, as contrasted with day labor, substantially affects and impairs the physical condition of women and prevents them from discharging in a healthful and satisfactory manner the peculiar functions which have been imposed upon them by nature, and that therefore it was within the power of the legislature to enact the statute as a police regulation tending to protect the well being of a large class of citizens and promote the public welfare." In coming to its conclusion the court took into consideration the verdict of Europe in favor of nightwork prohibition and the report of the state factory investigating commission on the question.

After this decision the case was appealed to the United States Supreme Court where it was still pending on December 1, 1916.

### *Weekly Rest Day*

Physiologists have demonstrated that restriction of daily hours within reasonable limits is not sufficient to keep a worker in good health, but that a weekly rest day is also required to repair the ravages of fatigue. Thus science joins with religion in demanding that regular work be given up on one day out of seven. A weekly rest day is provided for women workers by law in the six states of Arkansas, Massachusetts, New Jersey, New York, Oregon, and Pennsylvania, and in the District of Columbia. The modern laws for one day of rest in seven for all workers in specified industries, of which the best examples are at present found in Massachusetts and New York, provide another means of giving working women a weekly rest day. In addition to these direct enactments, strong indirect pressure for the six-day working week is exercised by all the laws setting maximum weekly limits of six times the daily limit or less. The eight and forty-eight-hour law of the District of Columbia and the ten and fifty-five hour law of Wisconsin are examples

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<sup>20</sup> *People v. Charles Schweinler Press*, 214 N. Y. 395, 108 N. E. 641 (1915).

of such statutes. But where only a daily and not a weekly limit is fixed, as in Idaho, Illinois, Washington, and other states, or where the weekly limit is seven times the daily limit, as in Arizona, seven-day work is not discouraged but invited.

The necessity of continuous employment in the telephone service has too often led to its entire exclusion from the old type of rest day law. But in Oregon, through the industrial commission plan of regulation, it has proved possible to insure periodic rest days for which the statute law made no provision, while still preserving the efficiency of the service. A weekly rest day is required in telephone exchanges in Portland, but in the larger exchanges elsewhere a six hour day and a complete rest-day must be given every fortnight, while the commission will consider special schedules on application for small exchanges of less than ten operators.

The question of the constitutionality of laws requiring one day's rest in seven has already come before the courts. In 1915 the Supreme Court of the District of Columbia held such legislation for women to be not sufficiently different in degree from eight-hour legislation in California as to make the reasoning in the latter case inapplicable.<sup>21</sup> In the same year the New York Court of Appeals upheld such an enactment for the benefit of both men and women as justifiable in the interests of public health and welfare.<sup>22</sup>

#### MINIMUM WAGE

Analagous to the protective legislation which has been enacted limiting the hours women may work is minimum wage legislation, which strives to guard women's health and welfare by requiring the payment of a wage sufficient to maintain a normal standard of living. The very low wages often received by women workers make such a minimum rate of especial importance.

Long after the police power of the state had been invoked to limit women's hours of labor the question of wages was left to be settled by the individual or by collective bargaining. Realization of the poverty in which many working women exist, however, was gradually brought home to our legislators through numerous comprehen-

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<sup>21</sup> *Earnshaw v. Newman et al.*, 43 Wash. Law Rep. 198 (1915).

<sup>22</sup> *People v. Klinck Packing Co.*, 214 N. Y. 121, 108 N. E. 278 (1915).

sive reports by federal and state bureaus. The possibility of dealing with the situation by minimum wage legislation was suggested by the experience of Victoria, New Zealand, and most of all by the trade boards in England under the act of 1909.

Massachusetts in 1912 acted upon the report of a state investigation and passed the first minimum wage law in this country applicable to private employment.<sup>23</sup> Evidently other states were awaiting the stimulus of such a precedent, for in 1913 such laws were enacted by eight state legislatures: California, Colorado, Minnesota, Nebraska, Oregon, Utah, Washington, and Wisconsin. Despite the question which was raised as to the constitutionality of such legislation,<sup>24</sup> Arkansas and Kansas passed minimum wage laws in 1915, bringing the total number up to eleven.

The basis upon which wages are to be fixed under the provisions of these acts is generally the necessary cost of living to maintain the health and welfare of the worker, or some similar phrase. In Colorado, Massachusetts, and Nebraska, however, the financial condition of the business is also taken into consideration. Although from the point of view of readjustment this may be more convenient, it raises the question of the justice of an industry's continuance if it is incapable of supporting its workers.

In most of the laws provision is made, either in the statute itself or through the rulings of the administrative commission, for exceptions for less efficient workers and for learners whereby they may be employed at a lower rate than that established for adult women of ordinary capacity.

Minimum wage laws in the United States are of two types. One is the "flat rate" law which prescribes the legal minimum in the statute itself, as in Utah and for certain industries in Arkansas in the absence of special provisions.

Establishment of wage rates by a legislature seems on its face an unsatisfactory system for the legislature has neither the time nor the information to make the detailed investigations requisite for fixing a wage which will be adequate to the needs of the worker and

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<sup>23</sup> In the same year a constitutional amendment was adopted in Ohio permitting the passage of a minimum wage law but the legislature failed to act on the matter.

<sup>24</sup> See pp. 388-389.

a just compensation for her labor. Fortunately the second type of legislation, the more flexible system of fixing minimum wages by wage boards or industrial commissions, has been the prevailing one in this country. These commissions, variously styled in the different states, are composed of from three to five members, including in general an equal number of representatives of employers and of employees, and one or more women.

The commissions are usually granted authority to "fix wages" upon investigation. In all the states having minimum wage laws, except Arkansas and Utah, they may establish wages, either piece or time, for minors as well as for female workers. The laws usually cover all the industries in the state, but in Colorado only a specified list is included. In Kansas, Minnesota, and Oregon the commission may issue rulings for given localities in the state as well as for the whole state.

As the wage rates are based on the findings in investigations, these are an important feature of the "wage board" laws. If after an investigation, in which the commission is granted special powers to compel information, it learns that the wages in the industry investigated are inadequate to maintain the requisite standard of living, the commission either proceeds to determine a minimum wage, or, in the states where there are provisions for a subordinate wage board,<sup>25</sup> to establish such a body. The wage boards are agencies of the commission, governed by its rules. They are usually composed of equal numbers of employers and employees and one or more impartial representatives of the "public" or of the commission. The effort to allow both sides to choose their representatives on these bodies has been beset with much difficulty, due to lack of organization and to the employees' fear of being discharged if they serve—a fear which experience has shown to be not groundless.

The wage board either proceeds to fix wages upon the earlier investigation of the commission, or makes a further investigation of its own. The findings of the board are then referred to the commission which may either accept them in whole or in part, or refer them back to the board for further consideration, or, if advisable,

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<sup>25</sup> All states having minimum wage commissions except Arkansas and Colorado.



convene an entirely new board to make a new investigation or recommendation.

When the commission finally reaches a decision a public hearing must be held, after which, if no change in the awards seems necessary, the commission issues its rulings which become effective on a specified date. The rulings must be posted in all establishments where workers are affected by them. In most states there is a provision for rehearings upon the request of employers or employees, and usually a further provision for court review, so that the interests of all concerned are safeguarded.

Except in Arkansas and Colorado, enforcement of the decrees is in the hands of the commission. Generally there are penalties for violation ranging from \$25 to \$100, but in Massachusetts and Nebraska the only penalty is publicity. The names of those who disregard the rulings may in Massachusetts, at the discretion of the commission, and must in Nebraska be published in certain newspapers of the state, a fine being provided for newspapers which refuse to publish. Penalties of from \$25 to \$1,000 are established for employers who discriminate against the employee for testifying in any investigation or proceeding relative to the enforcement of the act, or, in Massachusetts, for activity in forming or in serving on a wage board.

Minimum wage laws have not been in force in this country long enough to permit definite conclusions as to their results. It would seem, nevertheless, worth while to review briefly their apparent effects from the data available in Massachusetts, Oregon, and Washington, where the legislation has had the longest trial. From these sources we have data showing that there has been an actual increase in wage rates due to the legislation. According to a Massachusetts report, "The establishment of the minimum wage in the brush industry has been followed by a remarkable increase in the earnings of women employed in that industry."<sup>26</sup> In Oregon the results are also favorable. "The average rate of pay for all women employed in the forty stores increased 41 cents per week, or from \$9.92 to \$10.33 per week. As a whole, therefore, the rates of the women employed in these forty stores have been materially increased since

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<sup>26</sup> Massachusetts Minimum Wage Commission, *Bulletin No. 11*, p. 17.

the wage rulings.”<sup>27</sup> The Washington commission reports that “there are vastly more women workers in the state of Washington to-day receiving a living wage than there were two years ago when the law was enacted.”<sup>28</sup>

Fear that the minimum wage would tend to become the maximum so that a dead level of wages would be established seems in no way to have been confirmed. Massachusetts reports that “The proportion of women employed at more than the prescribed minimum rate has more than doubled.”<sup>29</sup> In Oregon “the proportion getting over \$9.25 (the legal minimum) has increased.”<sup>30</sup> Washington reports that there has been no levelling of wages; in fact, that the reverse has been true, the whole wage scale having been raised.<sup>31</sup>

Nor does there seem to have been any wholesale dismissal of female employees as a result of minimum wage legislation, although business depression caused unemployment throughout the country just after this legislation was put in force. Massachusetts reports a slight increase in female and minor employees in the brush industry, while the employment of men fell off in the same period.<sup>32</sup> Oregon showed a decrease of 11 per cent in the number of full-time women since the wage rulings,<sup>33</sup> but the conclusion is reached that “Little, if any, of the loss of employment among women as a group can be related to the minimum wage determinations.”<sup>34</sup> Washington also shows a decrease, although a very slight one, in the number of workers, the total falling off being but sixty-six out of the approximately 5,000 wage-earners investigated, and this is attributed to business conditions rather than to the wage rulings.<sup>35</sup>

<sup>27</sup> United States Bureau of Labor Statistics, *Bulletin No. 176*, “Effects of Minimum Wage Determination in Oregon,” pp. 18-19.

<sup>28</sup> Washington Industrial Welfare Commission, *First Biennial Report*, p. 13.

<sup>29</sup> Massachusetts Minimum Wage Commission, *Bulletin No. 11*, p. 17.

<sup>30</sup> United States Bureau of Labor Statistics, *Bulletin No. 176*, p. 9.

<sup>31</sup> Washington Industrial Welfare Commission, *First Biennial Report*, p. 17.

<sup>32</sup> Massachusetts Minimum Wage Commission, *Bulletin No. 7*, p. 11. The Merchants and Manufacturers of Massachusetts, however, express in their pamphlet the *Minimum Wage: A Failing Experiment*, the opinion that the decrees in the brush industry and in retail stores have been responsible for much loss of employment.

<sup>33</sup> United States Bureau of Labor Statistics, *Bulletin No. 176*, p. 11.

<sup>34</sup> *Ibid.*, p. 12.

<sup>35</sup> Washington Industrial Welfare Commission, *First Biennial Report*, pp. 68-69.

There seems, on the other hand, to have been some displacement of experienced females by minors and apprentices. In Massachusetts the increase in minors employed is greater than the increase in adult female employees.<sup>36</sup> Oregon, though showing a decrease in experienced adult females, shows an increase of girls under eighteen of 11.1 per cent in full-time workers.<sup>37</sup> In Washington there seems to have been some effort of experienced females to obtain apprenticeship licenses entitling them to work for less than the minimum, so as to avoid being dismissed.<sup>38</sup>

The prosperity of the industries does not seem to have been materially hurt by minimum wage awards. There has been no attempt in Massachusetts of any employer to have a decree reviewed by the court on the plea of its injurious effect on the financial condition of his business. Moreover, the capital invested in the brush industry and the value of the product have materially increased.<sup>39</sup> Using the increase in female labor cost of 3 mills on every dollar of sales as an index, Oregon industrial activity would seem to have been slightly hurt by the enactment of wage rulings.<sup>40</sup> In Washington the commission reports that the standard of efficiency of the workers has been raised, and "that industry itself has been taught the lesson that higher paid workers are better workers."<sup>41</sup> The industries which could pass the increased cost of production on to the consumer have been the least hurt. Some of those which compete with the sweat shops of the East have had a more difficult time in readjusting, but even their situation does not seem to be hopeless.

The question of the constitutionality of minimum wage legislation has naturally been raised, the two chief points of attack being the alleged undue interference with the right of contract and the alleged delegation of legislative power to the commissions.

On the first point the Oregon Supreme Court, in upholding the law,<sup>42</sup> felt that "'Common belief' and 'common knowledge' are suffi-

<sup>36</sup> Massachusetts Minimum Wage Commission, *Bulletin No. 7*, p. 11.

<sup>37</sup> United States Bureau of Labor Statistics, *Bulletin No. 176*, p. 16.

<sup>38</sup> Washington Industrial Welfare Commission, *First Biennial Report*, p. 17.

<sup>39</sup> Massachusetts Minimum Wage Commission, *Bulletin No. 7*, p. 14.

<sup>40</sup> United States Bureau of Labor Statistics, *Bulletin No. 176*, p. 33.

<sup>41</sup> Washington Industrial Welfare Commission, *First Biennial Report*, p. 13.

<sup>42</sup> *Stettler v. O'Hara*, 69 Ore. 519, 139 Pac. 743 (1914).

cient to make it palpable and beyond doubt that the employment of female labor as it has been conducted is highly detrimental to public morals, and has a strong tendency to corrupt them." Here the court quotes from the statement of the Massachusetts investigating commission bringing out the unfortunate conditions under which female employees labor and the "dire necessity" that actually lies behind the supposed freedom of the industrial contract, and continues: "With this common belief, of which . . . 'we take judicial notice,' the court cannot say, beyond all question, that the act is a plain, palpable invasion of rights secured by the fundamental law, and has no real or substantial relation to the protection of public health, the public morals or public welfare. Every argument put forward to sustain the maximum hours law, or upon which it was established, applies equally in favor of the constitutionality of the minimum wage law as also within the police power of the state and as a regulation tending to guard the public morals and the public health." This case was appealed to the United States Supreme Court where it was set for reargument in the fall of 1916.

The second main point involved in attacks on minimum wage legislation, namely, the alleged delegation of legislative powers, has already been covered in the section on "Hours."<sup>43</sup> Even if the fixing of a wage for a special industry by a wage board after an investigation should be held valid, however, in the opinion of some the fixing of a flat minimum wage rate by a legislature may still be declared unconstitutional as taking property without due process of law.

In Minnesota all the wage awards of the industrial commission are held up by a court injunction, while in Arkansas a lower court has declared the law unconstitutional and the state supreme court to which the case was appealed is reserving judgment until the federal Supreme Court hands down its decision in the Oregon case. Thus this case is the pivot upon which the future of minimum wage legislation swings. Pending the decision of the Supreme Court the legislation has lain unused in most of the states where it was enacted.

<sup>43</sup> See pp. 369-370.



# MAIN PROVISIONS OF MINIMUM WAGE LAWS IN THE UNITED STATES

## SUBSTANTIVE FEATURES

| STATE  | INDUSTRIES COVERED   | EMPLOYEES COVERED           | PRINCIPLE OF WAGE DETERMINATION   |
|--|--|-----------------------------|---|
| <b>Arkansas</b><br>C. 191, L. 1915.<br>In effect, March 25, 1915.  | All.   | Female workers.             | Experienced adults, \$1.25 a day, fixed by act in manufacturing, mechanical, mercantile, laundry, express, transportation. In special trade, occupation, or industry, readjustments may be made to cover "necessary cost of proper living" and "maintenance" of health and welfare. |
| <b>California</b><br>C. 324, Laws 1913.<br>In effect, August 10, 1913.   | All.   | Women, and minors under 18. | "Necessary cost of proper living and to maintain the health and welfare."   |
| <b>Colorado</b><br>C. 110, Laws 1913.<br>In effect, August 12, 1913.<br>Am'd C. 180, Laws 1915.<br>In effect, April 10, 1915.  | Mercantile, manufacturing, laundry, hotel, restaurant, telephone or telegraph. | Same as California.         | "Necessary cost of living, maintain them in health, and supply the necessary comforts of life" and "financial condition of the business."   |
| <b>Kansas</b><br>C. 275, Laws 1915.<br>In effect, May 22, 1915.  | All.   | Same as California.         | "Adequate for maintenance" and "reasonable and not detrimental to health and welfare."  |
| <b>Massachusetts</b><br>C. 706, Laws 1912.<br>In effect, July 1, 1913.<br>Am'd Cs. 330, 673, L. 1913.<br>In effect, Mar. 21, July 1, 1913.<br>Am'd. C. 368, Laws 1914.<br>In effect, April 17, 1914. | All.   | Same as California.         | "Necessary cost of living and to maintain the worker in health" and "financial condition of the business."  |
| <b>Minnesota</b><br>C. 547, Laws 1913.<br>In effect, June 26, 1913.  | All.   | Women, and minors under 21. | "Wages sufficient to maintain the worker in health and supply him with the necessary comforts and conditions of reasonable life."   |
| <b>Nebraska</b><br>C. 211, Laws 1913.<br>In effect, July 17, 1913.   | All.   | Same as California.         | Same as Massachusetts ("occupation" instead of "business").   |
| <b>Oregon</b><br>C. 62, Laws 1913.<br>In effect, June 2, 1913.   | All.   | Same as California.         | "Necessary cost of living and to maintain the workers in health."   |
| <b>Utah</b><br>C. 63, Laws 1913.<br>In effect, May 13, 1913.   | All.   | "Females."                  | Experienced adults, \$1.25 a day, fixed by act.   |
| <b>Washington</b><br>C. 174, Laws 1913.<br>In effect, June 13, 1913.   | All.   | Same as California.         | Same as Oregon.   |
| <b>Wisconsin</b><br>C. 712, Laws 1913.<br>In effect, August 1, 1913.   | All.   | Women, and minors.          | "A wage sufficient to maintain himself or herself under conditions consistent with his or her welfare."   |

## SUBSTANTIVE FEATURES—Continued

| EXCEPTIONS FOR DEFECTIVES  | EXCEPTIONS FOR LEARNERS  | PENALTY<br>1. FOR VIOLATION<br>2. FOR DISCRIMINATION <sup>1</sup>  | APPROPRIATION                      |
|--|--|--|------------------------------------|
| None.  | \$1 a day, fixed by act (after 6 months deemed experienced).                                   | 1. \$25-\$100, each day of non-compliance to constitute a separate offense.  | None specified.                    |
| Special license, women only, renewable semi-annually.                                  | None.  | 1. Minimum, \$50, imprisonment for 30 days, or both; (and employee may sue for wage balance). Applies to wage rulings only.<br>2. A misdemeanor. | \$15,000 annually.                 |
| Special license, women only.   | None.  | 1. Maximum, \$100, imprisonment for 3 months, or both; (and employee may sue for wage balance).<br>2. For each offense, \$25.                    | General for Industrial Commission. |
| Special license, women and minors.   | Special license for learners and apprentices.  | 1. \$25-\$100; (and employee may sue for wage balance, court "costs" and attorney's fees).<br>2. \$25-\$100.                                     | \$5,000 annually.                  |
| Same as Colorado.  | Special rates for learners and apprentices.  | 1. Commission may publish name in newspapers (\$100 for newspapers refusing to publish).<br>2. For each offense, \$200-\$1,000.                  | \$17,400 for 1916.                 |
| Special license, women only, limited to 10 per cent of employees in any establishment. | Same as Massachusetts.   | 1, 2. For each offense, \$10-\$50, or imprisonment for 10 to 60 days; (and employee may sue for wage balance).                                   | \$5,000 annually.                  |
| Same as Colorado.  | Same as Massachusetts.   | 1. Commission must publish names in newspapers (\$100 for newspapers refusing to publish).<br>2. For each offense, \$25.                         | None.                              |
| Same as Colorado.  | Same as Massachusetts.   | 1. \$25-\$100, imprisonment 10 days to 3 months, or both; (and employee may sue for wage balance).<br>2. \$25-\$100.                             | \$3,500 annually.                  |
| None.  | Females under 18, 75 cents a day; adult learners and apprentices 90 cents a day, fixed by act. | 1. A misdemeanor.  | No special provision.              |
| Same as Colorado.  | Special license, with time limit fixed by commission.  | 1. \$25-\$100; (and employee may sue for wage balance).<br>2. For each offense, \$25-\$100.  | \$5,000 annually.                  |
| Special license, women and minors.   | Minors in a "trade industry" must be indentured.   | 1. For each offense, \$10-\$100.<br>2. For each offense, \$25.   | General for Industrial Commission. |

<sup>1</sup> The penalty for discrimination is in all states except Massachusetts for the employer who "discharges or in any way discriminates against any employee because such employee has testified, or is about to testify, or because the employer believes that the employee may testify, in any investigation or proceeding" relative to the enforcement of the act; in Massachusetts service on or activity in the formation of a wage board is also protected.

## ADMINISTRATION—CHIEF ADMINISTRATIVE BODY

| STATE         | NAME   | PERSONNEL   | APPOINTMENT AND COMPENSATION   |
|---------------|--|---|--|
| Arkansas      | Minimum Wage Commission.                           | 3 persons: commissioner of labor and statistics and 2 competent women.  | Commissioner of labor and statistics and 1 woman by governor; 1 woman by commissioner.<br>No compensation specified.             |
| California    | Industrial Welfare Commission.                     | 5 persons, 1 a woman.<br>(May engage secretary and necessary assistants.)   | By governor, for 4 years.<br>\$10 a day and expenses.  |
| Colorado      | Industrial Commission.                             | 3 persons, not more than 2 of same political party, not more than 1 who can be classed as a representative of employers or of employees respectively.<br><br>(May engage assistants.)           | By governor, for 6 years.<br>\$4,000 annually, and expenses.   |
| Kansas        | Industrial Welfare Commission.                     | 3 persons: commissioner of labor and 2 others, 1 a woman. No 2 from same congressional district, and 2 other than the commissioner not to be related by blood or marriage to any state officer. | Same as California.<br>Expenses, but no salary.  |
| Massachusetts | Minimum Wage Commission.                           | 3 persons, 1 a woman.<br>(May engage secretary.)  | By governor, for 3 years.<br><br>\$10 a day and expenses.  |
| Minnesota     | Minimum Wage Commission.                           | 3 persons: commissioner of labor, 1 employer of women, 1 woman secretary.   | By governor, for 2 years.<br><br>Expenses; secretary, \$1,800 annually.  |
| Nebraska      | Minimum Wage Commission.                           | 4 persons: governor, deputy commissioner of labor, professor of political science in state university, 1 citizen of state (1 a woman).  | Same as Minnesota.<br>Expenses.  |
| Oregon        | Industrial Welfare Commission.                     | 3 persons: 1 representative of employing class, 1 of employed class, 1 of public.<br>(May engage secretary.)  | Same as Massachusetts.<br>Expenses.  |
| Utah          | Commissioner of Immigration, Labor and Statistics. | Woman deputy in office of commissioner.   | By governor, with consent of senate, for 2 years.<br><br>\$1,800 and \$500 expenses annually to commissioner, \$1,000 to deputy. |
| Washington    | Industrial Welfare Commission.                     | 5 persons: commissioner of labor, 4 disinterested citizens.<br>(May engage secretary.)  | Same as California.<br>Expenses.   |
| Wisconsin     | Industrial Commission.                             | 3 persons.<br>(May engage assistants.)  | By governor, with consent of senate, for 6 years.<br><br>\$5,000 annually, and expenses.   |

ADMINISTRATION—CHIEF ADMINISTRATIVE BODY—Continued

| INVESTIGATION   |  | AUTHORITY   | COURT REVIEW  |
|---|--|---|---|
| INITIATION  | POWERS   | 1. TO DETERMINE<br>2. TO ENFORCE  | 1. COURT.<br>2. GROUNDS FOR SET-<br>TING ASIDE RULING.                              |
| 1. ORIGINAL INQUIRY<br>2. REHEARINGS  |  |   |   |
| 1. By commission, on com-<br>plaint.  |  | 1. Minimum wages; regu-<br>lations governing em-<br>ployment of females in<br>hotels, restaurants, and<br>telephone establishments,<br>provided that neither<br>hours nor wage rates may<br>exceed those set by<br>statute. | None provided.  |
| 2. None provided.   |  | 2. Commissioner of labor<br>and statistics to enforce<br>act.   |   |
| 1. By commission, or upon<br>petition.  | Subpoena witnesses,<br>administer oaths,<br>examine books, en-<br>ter premises.  | 1. Minimum wages, maxi-<br>mum hours, and condi-<br>tions of labor. <sup>2</sup>  | 1. Superior court, on<br>questions of law only.                                     |
| 2. By commission, or upon<br>petition of employers or<br>employees.                             |  | 2. Wage rulings, upon<br>complaint.   | 2. If procured by fraud<br>or if the commission<br>acted outside its<br>powers.     |
| 1. By commission.   | Subpoena witnesses,<br>administer oaths,<br>examine books.   | 1. Reasonable standards<br>necessary to carry out<br>laws relative to protection<br>of life, health, safety,<br>and welfare.  | 1. District court on<br>questions of law only.                                      |
| 2. None provided.   |  | 2. Laws relating to em-<br>ployment of females as<br>far as respects relation<br>between employer and em-<br>ployee.  | 2. If unlawful or un-<br>reasonable.  |
| 1. By commission, manda-<br>tory on request of 25 en-<br>gaged in occupation.                   | Subpoena witnesses,<br>administer oaths,<br>compel production<br>of all wage rec-<br>ords, papers and<br>other evidence. | 1. Same as California.  | 1. District court on<br>questions of law only.                                      |
| 2. Upon petition of em-<br>ployers or employees in<br>occupation.                               |  | 2. Its rulings (see "Pen-<br>alty").  | 2. "Unauthorized by<br>law, confiscatory, un-<br>reasonable."                       |
| 1. Same as Colorado.  | Same as Colorado.  | 1. Minimum wages.   | 1. Supreme judicial<br>court, or superior<br>court.                                 |
| 2. Upon petition of em-<br>ployers or employees.  |  | 2. Same as Kansas.  | 2. If compliance would<br>prevent a "reasonable<br>profit."                         |
| 1. By commission, or at re-<br>quest of 100 employees.  | Same as Colorado.  | 1. Same as Massachusetts.   | None provided.  |
| 2. By commission, or at<br>request of ¼ of the em-<br>ployers or employees in<br>an occupation. |  | 2. The act.   |   |
| 1. Same as Colorado.  | Same as Colorado.  | 1. Same as Massachusetts.   | 1. District court.  |
| 2. Same as Massachusetts.   |  | 2. Same as Kansas.  | 2. If compliance "is<br>likely to endanger the<br>prosperity of the busi-<br>ness." |
| 1. Same as Colorado.  | Same as Colorado.  | 1. Same as California.  | 1. Circuit court, on<br>questions of law only.                                      |
| 2. None provided.   |  | 2. All rulings.   |   |
|   |  | 1. None.  | None.   |
|   |  | 2. Same as Minnesota.   |   |
| 1. Same as Colorado.  | Same as Colorado.  | 1. Minimum wages and<br>conditions of labor.  | 1. Superior court, on<br>questions of law only.                                     |
| 2. Same as Massachusetts.   |  | 2. Same as California.  |   |
| 1. By commission, or upon<br>complaint.   | Same as California.  | 1. Minimum wages, maxi-<br>mum hours (C. 381, L.<br>1913), and conditions of<br>labor (C. 485, L. 1911).  | 1. Circuit court, on<br>questions of law only.                                      |
| 2. No special provisions.   |  | 2. Wage rulings, upon<br>complaint, other rulings<br>directly.  | 2. If unlawful or un-<br>reasonable.  |

<sup>2</sup> The California law is the only one which forbids the commission to act as a board of arbitration during a strike or lockout.



## ADMINISTRATION—SUBORDINATE BODY\*

| STATE         | NAME                 | PERSONNEL  | APPOINTMENT AND COMPENSATION  |
|---------------|----------------------|--|---|
| Arkansas      | None.                |  |   |
| California    | Wage board.          | Equal number representatives of employers and employees, and a representative of the commission.                           | By commission's rules (optional).<br>\$5 a day and expenses.  |
| Colorado      | None.                |  |   |
| Kansas        | Board.               | Not less than 3 representatives of employers in occupation, an equal number of employees, 1 or more disinterested persons. | By commission's rules (mandatory).<br>Same rate as jurors in district court and necessary travelling and clerical expenses. |
| Massachusetts | Wage board.          | Equal number of representatives of employers and employees and 1 or more representatives of public.                        | By commission's rules (only in case of women, then mandatory).<br>Same rate as jurors.                                      |
| Minnesota     | Advisory board.      | 3-10 representatives of employers, equal number of employees, and 1 or more representatives of public; at least 1/5 women. | By commission's rules, election when practicable; (optional).<br>None.  |
| Nebraska      | Wage board.          | At least 3 representatives of employers, 3 of employees, and the 3 appointed members of the commission.                    | By commission (only in case of women, then mandatory).<br>Same as jurors in district court.                                 |
| Oregon        | Conference.          | Not more than 3 representatives of employers, 3 of employees, 3 of public and 1 or more commissioners.                     | By commission (only in case of women, then optional).<br>None.  |
| Utah          | None.                |  |   |
| Washington    | Conference.          | Same as Massachusetts.   | By commission's rules (only in case of women, then optional).<br>None.  |
| Wisconsin     | Advisory wage board. | "So as fairly to represent employers, employees and the public."   | By commission (mandatory).<br>None.   |

\* In all cases the functions of the subordinate body are advisory only, its operations are confined to the industry in question, and its rules of procedure are determined by the commission.

# MINIMUM WAGE AWARDS IN THE UNITED STATES UP TO JANUARY 1, 1917

(Apply only to females unless otherwise stated)

| I<br>STATE    | II<br>PART OF STATE<br>COVERED | III<br>KINDS OF WORK<br>COVERED   | IV<br>WORKERS  | V<br>AFFECTED | VI<br>WAGE RATES  | VII<br>REMARKS   |
|---------------|--------------------------------|---|--|---------------|---|--|
|               |                                |   | CLASS  | AGE           |   |  |
| Arkansas      | All.                           | Manufacturing except cotton factories, and canneries, mechanical, mercantile, laundry, express, transportation, restaurant.   | Experienced females.   | Any.          | \$1.25 daily.   | To be deemed "experienced" after 6 months' apprenticeship. Law does not apply to establishments employing less than 4 females or less than 4 persons at the same time in the same building on the same kind of work. |
|               |                                |   | Learners and apprentices.  |               | \$1 daily.  |  |
|               |                                | Telephone.  | Experienced females.   |               | \$1.25 daily.   |  |
|               |                                |   | Learners and apprentices:<br>(1) Under 1 month's experience.<br>(2) 1-6 months' experience.  |               | (1) \$20 monthly.<br>(2) \$1 daily.   |  |
| California    | All.                           | Millinery.  | Experienced females.   | Any.          | \$1.25 daily.   |  |
|               |                                |   | Apprentices:<br>(1) Under 1 month's experience.<br>(2) 1-2 months' experience.<br>(3) 2-3 months' experience.<br>(4) 3-6 months' experience. |               | (1) \$15 monthly.<br>(2) \$17.50 monthly.<br>(3) \$20 monthly.<br>(4) \$1 daily.  |  |
|               |                                | Fruit and vegetable canning.  | Experienced time workers.  |               | \$1.16 an hour.   |  |
|               |                                |   | Inexperienced time workers.  |               | \$1.13 an hour.   |  |
| Massachusetts | All.                           | (1) Cutting apricots.<br>(2) Cutting and peeling pears.<br>(3) Cutting cling peaches.<br>(4) Cutting free peaches.<br>(5) Peeling tomatoes.<br>(6) Canning all varieties of fruit (size of can No. 2½).<br>(7) Canning all varieties of fruit (size of can No. 10).<br>(8) Canning tomatoes (size of can No. 2½).<br>(9) Canning tomatoes (size of can No. 10). | All piece workers.   | Any.          | (1) \$.09 per 40 lbs.<br>(2) \$.15 per 40 lbs.<br>(3) \$.09 per 40 lbs.<br>(4) \$.05 per 40 lbs.<br>(5) \$.03 per 12 quarts.<br>(6) \$.015 per doz. cans.<br><br>(7) \$.036 per doz. cans.<br><br>(8) \$.01 per doz. cans.<br><br>(9) \$.024 per doz. cans. | To be deemed "experienced" after 3 weeks' employment. Rates for "emergency work" (12 hours' overtime weekly for women over 18) to be at least 1¼ times those stated.   |
|               |                                |   | Experienced time workers.  |               | \$1.155 an hour.  |  |
|               |                                |   | Learners and apprentices—time workers.   |               | 65 per cent of above (about \$.10).   |  |
|               |                                |   |  |               |   |  |

## MINIMUM WAGE LAWS—Continued

| I<br>STATE                   | II<br>PART OF STATE<br>COVERED   | III<br>KINDS OF WORK<br>COVERED  | IV<br>WORKERS<br>CLASS   | V<br>AFFECTED<br>AGE                            | VI<br>WAGE RATES   | VII<br>REMARKS   |
|------------------------------|--|--|--|---|--|--|
|                              |  |  |  |   |  |  |
| Massachusetts<br>(continued) | All.   | Laundry.   | Experienced females of ordinary ability.   | Any.  | \$8 weekly.  | To be deemed "experienced" after 1 year's apprenticeship if absences during that period have not been of unreasonable duration. For females of less than ordinary ability wage fixed by special license.               |
|                              |  |  | Learners and apprentices:<br>(1) Under 3 months' experience.<br>(2) 3-6 months' experience.<br>(3) 6-9 months' experience.<br>(4) 9-12 months' experience. |   | (1) \$6 weekly.<br>(2) \$6.50 weekly.<br>(3) \$7 weekly.<br>(4) \$7.50 weekly. |  |
|                              |  | Retail stores.   | Experienced females of ordinary ability.   | 19 or over.                                     | \$8.50 weekly.   | As above. Extra or part time workers to receive at least same scale of pay pro rata for time actually employed.  |
|                              |  |  | Learners and apprentices.  | (1) 18 or over.<br>(2) 17.<br>(3) Less than 17. | (1) \$7 weekly.<br>(2) \$6 weekly.<br>(3) \$5 weekly.                          |  |
|                              |  | Women's clothing factories (cloak, suit, skirt, dress, and waist shops). <sup>1</sup>                                      | Experienced females of ordinary ability.   | 19½ or over.                                    | \$8.75 weekly.   | To be deemed "experienced" after 1½ year's apprenticeship after reaching 18 if absences during that period have not been of unusual duration. For females of less than ordinary ability wage fixed by special license. |
|                              |  |  | Learners and apprentices.  | (1) 18 or over.<br>(2) Less than 18.            | (1) \$7 weekly.<br>(2) \$6 weekly.   |  |
| Minnesota <sup>2</sup>       | (1) First class cities.<br>(2) Second, third, and fourth class cities.<br>(3) Outside first, second, third, and fourth class cities. | Mercantile, office, waitress, hair-dressing occupations.   | Experienced women and minors of ordinary ability.  | Any.  | (1) \$9 weekly.<br>(2) \$8.50 weekly.<br>(3) \$8 weekly.                       |  |
|                              | (1) First class cities.<br>(2) Second, third, and fourth class cities.<br>(3) Outside first, second, third, and fourth class cities. | Manufacturing, mechanical, telephone, telegraph, laundry, dyeing, dry cleaning, lunchroom, restaurant or hotel occupation. |  |   | (1) \$8.75 weekly.<br>(2) \$8.25 weekly.<br>(3) \$8 weekly.                    |  |

<sup>1</sup> The dates when awards became effective have been omitted in as much as they were all supposed to be in effect before the publication of this REVIEW, except this award in Massachusetts which becomes effective February 1, 1917.

<sup>2</sup> All the Minnesota awards have been held up by injunction.

| I<br>STATE | II<br>PART OF STATE<br>COVERED               | III<br>KINDS OF WORK<br>COVERED  | IV<br>WORKERS AFFECTED  |   | VI<br>WAGE RATES  | VII<br>REMARKS   |
|------------|--|--|---|---|---|--|
|            |  |  | CLASS   | AGE                                       |   |  |
| Oregon     | (1) Portland.                                | Manufacturing, personal service, laundry, telephone, telegraph, public housekeeping.                     | Experienced females—time workers.   | Over 18.                                  | \$8.64 weekly.  | To be deemed "experienced" after 1 year's apprenticeship. In any occupation \$1.40 may be deducted if lodging is furnished by employer, \$2.80 if board (21 meals) is supplied. A fraction of a week's lodging or board to be computed on above basis. |
|            |  | Mercantile.  |   |   | \$9.25 weekly.  |  |
|            |  | Office.  |   |   | \$40 monthly.   |  |
|            | (2) State outside Portland.                  | Mercantile, manufacturing, personal service, laundry, telephone, telegraph, office, public housekeeping. |   |   | \$8.25 weekly.  |  |
|            | (1) Portland.<br>(2) State outside Portland. | Manufacturing, laundry.  | Experienced females—piece workers.  |   | (1) \$8.64 weekly average.<br>(2) \$8.25 weekly average.                          | At least 75 per cent to be paid not less than minimum weekly average.  |
|            | All.   | Mercantile, manufacturing, personal service, laundry, telegraph, office, public housekeeping.            | Apprentices:<br>(1) Under 4 months' experience.<br>(2) 4-8 months' experience.<br>(3) 8-12 months' experience.                                |   | (1) \$6 weekly.<br>(2) \$7 weekly.<br>(3) \$8 weekly.                             |  |
|            |  | Telephone.   | Apprentices:<br>(1) Under 3 months' experience.<br>(2) 3-6 months' experience.<br>(3) 6-9 months' experience.<br>(4) 9-12 months' experience. |   | (1) \$6 weekly.<br>(2) \$6.60 weekly.<br>(3) \$7.20 weekly.<br>(4) \$7.80 weekly. | Apprentices in manufacturing and laundries may be paid prevailing piece rates for first 3 weeks; thereafter must be paid at least \$6 weekly.  |
|            |  | Any occupation.  | Minors (boys and girls).  | (1) 16 to 18.<br>(2) 15.<br>(3) Under 15. | (1) \$6 weekly.<br>(2) \$.075 hourly.<br>(3) \$.05 hourly.                        |  |
|            |  |  |   |   |   |  |
|            |  |  |   |   |   | Except as otherwise arranged by commission for apprentices.  |



| I<br>STATE   | II<br>PART OF STATE<br>COVERED | III<br>KINDS OF WORK<br>COVERED                         | IV<br>WORKERS AFFECTED  |           | VI<br>WAGE RATES                               | VII<br>REMARKS   |
|--|--------------------------------|---|---|-----------|--|--|
|  |                                |   | CLASS   | AGE       |  |  |
| Utah<br>Rates<br>fixed by<br>Laws<br>1913,<br>C. 63. | All.                           | All.  | Experienced<br>females.   | Over 18.  | \$1.25 daily.                                  | To be deemed "ex-<br>perienced" after 1<br>year's apprenticeship.  |
|  |                                |   | Apprentices.  |           | \$.90 daily.                                   |  |
|  |                                |   | All females.  | Under 18. | \$.75 daily.                                   |  |
| Wash-<br>ington <sup>3</sup>                         | All.                           | Mercantile (in-<br>cludes cigar<br>and news<br>stands). | Experienced<br>females.<br>Apprentices:<br>(1) Under 6<br>months' ex-<br>perience.  | Over 18.  | \$10 weekly.                                   | Commission may is-<br>sue licenses for<br>apprentices on ap-<br>plication of ap-<br>prentices them-<br>selves good for not<br>more than 1 year.<br>Not more than 17<br>per cent of all<br>adult female em-<br>ployees may be ap-<br>prentices, of whom<br>only 50 per cent<br>may be paid less<br>than \$7.50. No ap-<br>prenticeship neces-<br>sary for cigar and<br>news stands. |
|  |                                |   | (2) 6-12<br>months' ex-<br>perience.  |           | (2) \$7.50<br>weekly.                          |  |
|  |                                |   | Persons of<br>either sex.   | Under 18. | \$6 weekly.                                    |  |
|  |                                |   | Experienced<br>females.   | Over 18.  | \$8.90 weekly.                                 |  |
|  |                                | Any factory es-<br>tablishment.                         | Persons of<br>either sex.   | Under 18. | \$6 weekly.                                    | Licenses issued<br>to apprentices<br>range from 1<br>month to 1 year<br>and from \$1.50 to<br>\$8 weekly in dif-<br>ferent occupations.<br>Licenses allow in<br>garment factories<br>1 months' and in<br>glove making 2<br>weeks' pre-appren-<br>ticeship at piece<br>rates.   |
|  |                                |   |   |           |  |  |
|  |                                | Laundries and<br>dye works.                             | Experienced<br>females.<br>Apprentices:<br>(1) Under 3<br>months' ex-<br>perience.<br>(2) 3-6<br>months' ex-<br>perience. | Over 18.  | \$9 weekly.                                    | Not more than 25<br>per cent of all<br>adult females may<br>be apprentices. On<br>mangle machine,<br>apprenticeship limit<br>of 2 months, and<br>only 50 per cent<br>may be appren-<br>tices.  |
|  |                                |   | Persons of<br>either sex.   | Under 18. | \$6 weekly.                                    |  |
|  |                                | Telegraph.  | Experienced<br>females.   | Over 18.  | \$9 weekly.                                    |  |
|  |                                |   | Apprentices:<br>(1) Under 6<br>months' ex-<br>perience.<br>(2) 6-12<br>months' ex-<br>perience.                           |           | (1) \$6.50<br>weekly.<br>(2) \$7.75<br>weekly. |  |
|  |                                |   | Persons of<br>either sex.   | Under 18. | \$6 weekly.                                    |  |

<sup>3</sup> "Extra help" and those employed on commission must receive the minimum wage, and piece workers must be able to average by the month the minimum wage or that stipulated in their licenses. "Any arrangement entered into by parent and employer to allow a rebate to the latter for services of a minor will be considered a violation of both the letter and the spirit of the minimum wage law." If the apprentice rate is less than \$6, minor apprentices may receive the smaller sum, but they need not receive more than \$6 if the apprentice rate exceeds that amount.

| I<br>STATE                | II<br>PART OF STATE<br>COVERED | III<br>KINDS OF WORK<br>COVERED   | IV<br>WORKERS  | V<br>AFFECTED               | VI<br>WAGE RATES   | VII<br>REMARKS  |
|---------------------------|--------------------------------|---|--|-----------------------------|--|---|
|                           |                                |   | CLASS  | AGE                         |  |   |
| Washington<br>(continued) | All.                           | Telephone.  | Experienced females.   | Over 18.                    | \$9 weekly.  | Special rates on application for rural communities.   |
|                           | Seattle, Tacoma, Spokane.      |   | Apprentices:<br>(1) Under 3 months' experience.<br>(2) 3-5 months' experience.<br>(3) 5-7 months' experience.<br>(4) 7-9 months' experience. |                             | (1) \$6 weekly.<br>(2) \$6.60 weekly.<br>(3) \$7.20 weekly.<br>(4) \$7.80 weekly.                                  |   |
|                           |                                |   | (1) Under 4 months' experience.<br>(2) 4-9 months' experience.   |                             | (1) \$6 weekly.<br>(2) \$7.50 weekly.  |   |
|                           |                                | Office work.  | Persons of either sex.   | Under 18.                   | \$6 weekly.  |   |
|                           |                                |   | Experienced females.   | Over 18.                    | \$10 weekly.   |   |
|                           | All.                           | Hotel, restaurant, lunch room (including waitresses in department stores, cafes, and lunch rooms but excepting waitresses in hotels and restaurants). | Apprentices:<br>(1) General office work, under 6 months' experience.<br>(2) Stenography and bookkeeping, under 3 months' experience.         | (1) 16-18.<br>(2) Under 16. | (1) \$7.50 weekly.<br>(2) \$8 weekly.  |   |
|                           |                                |   | Persons of either sex.   |                             | (1) \$7.50 weekly.<br>(2) \$6 weekly.  |   |
|                           |                                |   | All females.   | Over 18.                    | \$9 weekly.  |   |
|                           |                                |   | Persons of either sex.   | Under 18.                   | \$7.50 weekly.   |   |
|                           |                                | Such class of occupation or employment as requires to be learned by apprentices. <sup>4</sup>   | Apprentices.   | Any.                        | Wages below minimum to be fixed by commission based on previous experience of applicant and particular occupation. | No apprenticeship necessary. \$2 weekly may be deducted if employer furnishes lodging, \$3.50 if he supplies board (21 meals); a fraction of a week's board to be computed on above basis. \$5 may be deducted when employer furnishes board and lodging.<br><br>Commission may issue a special license to each employee. |
|                           |                                |   |  |                             |  |   |

<sup>4</sup> The rulings made in accordance with this provision are extremely detailed and could only be suggested in the table. For a complete presentation the reader is referred to the *Second Biennial Report of the Washington Industrial Welfare Commission*.

## HEALTH, COMFORT, AND SAFETY

Further to protect women workers a number of miscellaneous sanitary and safety provisions have been enacted in the various states.

*Seats, Toilets, and Dressing Rooms*

Safeguards for the comfort, health, and morals of women are found in numerous requirements for suitable seats, sanitary and separate toilets, and dressing rooms. The dangers of constant standing for salesgirls were recognized as long ago as the end of the 'seventies, and New York required seats to be furnished them as early as 1881. By the end of 1915 only Idaho, Mississippi, Nevada, and New Mexico were without laws requiring suitable seats for females in at least mercantile establishments. About a dozen states extend this requirement to manufacturing and mechanical establishments (Arizona, Arkansas, California, Kentucky, Louisiana, Missouri, Montana, Ohio, Pennsylvania, Texas, Washington, West Virginia). The proportion of seats to workers is sometimes fixed, frequently at one seat for every three females employed. In many cases the law specifies that employers must permit the use of the seats when work will not thereby be interfered with, but even with this clause such regulations are practically unenforceable.

Nearly all the states require sanitary and separate toilets for women workers in addition to those for men. Since the character of employment often makes necessary a change from street clothes to work clothes, about a third of the states make provision for women's dressing rooms. A few states also have enacted provisions for warmth and ventilation, clean floors, whitewashed walls and the like, logically of general application, but have limited the requirements to establishments employing women workers.

*Prohibited Employments*

Women are absolutely excluded from special branches of industry because of their inherently weaker resistance to certain health dangers, and because of their function as possible mothers. In America where this type of legislation is much less common than in Europe laws prohibiting the employment of women relate principally to work in mines or saloons. Work in mines is forbidden to women in most

of the mining states (Alabama, Arizona, Arkansas, Colorado, Illinois, Indiana, Maryland, Missouri, New York, Oklahoma, Pennsylvania, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming), and work in saloons, except by members of the family, in fourteen states (Connecticut, Idaho, Iowa, Louisiana, Maryland, Michigan, Missouri, Montana, New Hampshire, New Mexico, New York, Texas, Utah, Vermont). A few other scattered provisions exist. Thus three states (Louisiana, Minnesota, West Virginia) have forbidden the employment of women in cleaning moving machinery. Arizona forbids the work of women "in any capacity" in which they must remain standing constantly, and New York and Ohio forbid women to operate certain kinds of emery and other polishing wheels. New York also prohibits women from making cores in foundries if the baking of the cores takes place in the room where they are made.

In Europe the danger of certain kinds of work for women is much better known and prohibitive legislation is more general, forbidding women from working in a moderately large list of occupations most of which involve the presence of dusts, fumes, vapors, gases, or substances of a poisonous or clearly harmful character which directly affect the health not only of women workers but of their offspring as well. As under the industrial commission plan the regulation of women's work becomes more exact and scientific it is probable that more attention will be given to the matter in America. Already the Washington Industrial Welfare Commission, in setting standards for the laundry industry, has forbidden the employment of girls under eighteen as shakers in laundries, while in California the industrial welfare commission forbids women in fruit or vegetable canneries to carry any heavy burden to or from their place of work in the establishment.

#### *Regulation of Core Rooms, Moving Weights, Etc.*

Besides prohibiting altogether the employment of women in certain core rooms, New York gives to the industrial commission power to regulate the construction and operation of core rooms in general, and the size and weight of cores that may be handled by women. The only order issued under this authority up to December 1, 1916, relates to the construction of the partition between core rooms and baking rooms if they are adjacent. Similar powers are conferred upon the Massachusetts Board of Labor and Industries.



In Massachusetts, also, receptacles and boxes weighing seventy-five pounds or over, including contents, used by female employees in manufacturing or mechanical establishments, must be equipped with "pulleys or casters."

#### CHILDBIRTH PROTECTION

Legislation aimed to protect the working mother at the time of childbirth is in its infancy in this country, due perhaps to a belief that "married wage-earning women are not as yet an American tradition,"—a belief that overlooks the economic forces which are driving married women as well as young girls to seek gainful employment.

Indeed, the large percentage of working women who are married is already a striking feature of our industrial life. In twenty-three miscellaneous factory industries scattered through seventeen states the federal Bureau of Labor Statistics found in 1907-1909 a total of 61,656 females employed.<sup>44</sup> Of these 61,656 females almost exactly one-eighth,—12.4 per cent, amounting to 7,645—were married. Some of these industries, however, employed mainly young girls, so that a more accurate estimate of the importance of married women in industry can perhaps be reached by considering women aged twenty or over. These formed 50.1 per cent of the total group, numbering 30,890, and of these over one-fifth (22.6 per cent) were married. Of the total number of 18,197 Americans studied in the selected industries, practically one-tenth (9.9 per cent) were married, while for the whole number of workers, regardless of race, the proportion of married women was one-eighth. In four larger industries of which special studies were made at the same time, cotton, garment making, glass, and silk, the number of women employees aged twenty or over, and the proportion of these who were married, were as follows:

| <i>Industry</i>                 | <i>Number aged 20<br/>or over</i> | <i>Per cent of these<br/>married</i> |
|---------------------------------|-----------------------------------|--------------------------------------|
| Cotton textile industry         |                                   |                                      |
| New England group .....         | 10,237                            | 38.4                                 |
| Southern group .....            | 7,285                             | 40.7                                 |
| Men's ready made clothing ..... | 6,513                             | 28.6                                 |
| Glass industry .....            | 1,166                             | 12.6                                 |
| Silk industry .....             | 5,838                             | 16.0                                 |

<sup>44</sup> United States Bureau of Labor Statistics, *Report on Condition of Woman and Child Wage-Earners in the United States*, Vol. XVIII, "Miscellaneous Industries," pp. 27-28.

The southern textile group was composed exclusively of native born white Americans of native stock, yet the proportion of married women is larger than in the New England textile group, among whom the foreign born predominate, and much larger than in the other groups, at least two of which, ready made clothing and silk, are notoriously in the hands of foreign born workers.

In the country as a whole the number of married women employed has increased from 515,124 in 1890, to 775,924 in 1900. It comprised in 1890 14 per cent, and in 1900 15.5 per cent, of all women at work. Among all the married women in the country, 4.6 per cent were at work in 1890, and 5.6 per cent in 1900. Unfortunately, the census data showing the status for 1910 have not yet been made available.<sup>45</sup> If it be assumed that the increase has been at the rate shown in the period 1890-1900, the number of employed married women in 1910 numbered something over 1,100,000, an increase of approximately 100 per cent in twenty years.

The part played by economic necessity in driving women into commercial employment is clearly brought out in the studies of some of the typical industries contained in the nineteen-volume federal report on the *Condition of Woman and Child Wage-Earners in the United States*. Among the textile workers of the New England group, for example, the father was able to contribute but 37 per cent of the total family income, the mother added 32 per cent of the total, the boys of sixteen and over added 31 per cent, and the daughters of sixteen and over were responsible for 42 per cent.<sup>46</sup> "These figures," says the report, "tend to confirm the assertion that the cotton mill family depends on a family wage for its existence, and that the women and children must work if the family is to survive." In the northern states, of 163 families in which the mother was employed, only three wives were credited with idle husbands, notwithstanding the encouragement given by the family to the father "to lay off from work," while 112 wives are recorded as having husbands at work. The situation in other industries is similar—in the men's ready made clothing industries, fathers contributed 48 per cent, mothers 27 per cent of the family income, and only nine idle husbands are recorded

<sup>45</sup> The Census Bureau promises to issue a preliminary statement early in 1917.

<sup>46</sup> These percentages apply in each case only to the incomes of families having workers of the specified class.

as against 238 "husbands at work." Of the women employed in the glass industry the report states: "The mother works only as a result of family need—to assist the family when poverty presses, not simply to raise the standard of living."<sup>47</sup>

Close connection between industrial employment and the mortality of mothers from childbirth is shown by the British report on *Maternal Mortality in Connection with Childbearing*. The following additional important considerations are advanced in that study:

The desire not to incur the pecuniary loss incurred by temporary absence from work during pregnancy and after confinement in some instances may form a powerful inducement to the use of mechanical or chemical abortifacients. The suspicion that this practice is prevalent in certain quarters has already been mentioned.

Apart, however, from such practices, it is to be expected that the standing and the laborious work of factory life will tend to increase the risk of complications in connection with childbearing.<sup>48</sup>

Similar information for this country is now being gathered by the federal Children's Bureau. In this country more attention has been directed to the effect of industrial employment of mothers upon infant mortality. In this connection, Dr. B. S. Warren and Edgar Sydenstricker of the United States Public Health Service point out:

Some careful studies indicate the conclusion that, while there is no doubt as to the prejudicial influence of employment of pregnant and nursing mothers in factories upon the health of both mothers and infants, poverty has a much more deleterious influence, and if by employment poverty can be removed or lessened, such employment is the lesser by far of the two evils. But when poverty is not mitigated by the mothers' wages to such an extent as to offset the effects of artificial feeding and lack of care of their infants entailed by their absence, the deleterious influence of such employment upon the viability and health of their infants may appear.<sup>49</sup>

<sup>47</sup> United States Bureau of Labor Statistics, *Bulletin No. 175*, p. 163.

<sup>48</sup> Great Britain, Local Government Board, *Forty-fourth Annual Report*, 1914-1915, supplement, Arthur Newsholme, p. 57.

<sup>49</sup> B. S. Warren and Edgar Sydenstricker, *Public Health Bulletin No. 76*, "Health Insurance, Its Relation to Public Health," p. 32. The Children's Bureau, in its well-known report on infant mortality in Johnstown, Pa., reaches a similar conclusion. Its investigation found the infant mortality rate somewhat higher among the babies of wage-earning mothers, but showed a clearer correlation with the father's rate of income. Its judg-

Existing American legislation for the protection during childbirth of mothers industrially employed is limited to a legal prohibition of employment of women for a specified period before and after childbirth, and is confined to four states, Connecticut, Massachusetts, New York, and Vermont. Massachusetts in 1911 enacted the first law of this kind, making it unlawful knowingly to employ women in manufacturing, mechanical, or mercantile establishments for two weeks previous to or four weeks following childbirth. A penalty of \$100 was placed upon each infringement. New York, one year later, added mills and workshops to the list, shortened the prohibited period to the four weeks following confinement, and graded the penalty: first offense \$20 to \$50, second offense \$50 to \$250 or thirty days' imprisonment or both, and for the third offense \$250 or sixty days' imprisonment or both. Connecticut in 1913 adopted the New York classification of prohibited employments, extended the period to the four weeks preceding confinement, and decreased the penalty to \$25 or thirty days' imprisonment or both. In the same year Vermont prohibited employment in manufacturing and mercantile establishments for two weeks before and four weeks after childbirth, and established a penalty of \$50 to \$100 for each offense.

These provisions, while they may save the mother from overstrain, serve merely to lower the already small family income and to increase the evil effects of poverty at this most critical time.

Slight protection is afforded to women by state laws which establish minimum standards for obstetrical attendance. Usually physicians are required to pass an examination before a license to practice is granted. In the case of midwives an examination previous to the granting of a license was required in 1913 in only twelve states and the District of Columbia.<sup>50</sup>

As about 40 per cent of all births in this country are attended by midwives,<sup>51</sup> the large number attended by those who are untrained constitutes a very serious situation. The wholly untrained

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ment is that wage-earning mothers and low wage fathers are in practically the same group and that it is hard to obtain any exact measurement of the comparative importance of the two factors.

<sup>50</sup> Connecticut, Illinois, Indiana, Louisiana, Maryland, Minnesota, Missouri, New Jersey, Ohio, Utah, Wisconsin, Wyoming.

<sup>51</sup> Grace Abbott, "The Midwife in Chicago," *American Journal of Sociology*, March, 1915, p. 684.



woman was found by inspectors of the state department of health to be "in greatest demand because she was cheap and did not annoy her patients with cleanly precautions."<sup>52</sup> Personal interviews with 500 midwives in New York City in 1906 disclosed the fact that less than 10 per cent could be classed as capable and reliable while the remaining 90 per cent were "hopelessly dirty, ignorant, and incompetent."<sup>53</sup> A study of 187 Chicago midwives showed that fifty had not gone beyond the fourth grade in school, and ninety-one had not advanced beyond the eighth.<sup>54</sup>

A forward step has been made in New York and Pennsylvania, where midwives are licensed, registered and supervised. The system of inspection, however, has revealed that in New York many unlicensed midwives are practicing, unknown to the local authorities, since they do not report the births attended.<sup>55</sup> That conditions are worse in the country than in the city is pointed out by Dr. Dorothy Reed Mendenhall, who undertook a study of natal conditions in Wisconsin upon the authorization of the Wisconsin State Medical Society. In this report she points out that the rate of maternal mortality is higher in Wisconsin than in England or Ireland and that the average rate for puerperal sepsis is higher than in any part of Great Britain or other European countries.<sup>56</sup> In the registration area in 1913, causes connected with childbirth resulted in more deaths among women of child-bearing age (fifteen to forty-four years) than any other disease except tuberculosis. Even in comparison with the whole population, including all ages and both sexes, the death rate per 100,000 from conditions caused by childbirth was nearly as large as that from typhoid fever.<sup>57</sup> On the basis of the 10,010 deaths occurring in the registration area, the federal Children's Bureau estimates that in 1913 at least 15,000 women died in the United States from childbirth and allied

<sup>52</sup> National Committee for the Prevention of Blindness, *First Annual Report*, November 1915, p. 36.

<sup>53</sup> J. Clinton Edgar, "The Education, Licensing and Supervision of the Midwife," *American Association for the Study and Prevention of Infant Mortality*, 1915, p. 90.

<sup>54</sup> Grace Abbott, "The Midwife in Chicago," *American Journal of Sociology*, March 1915, p. 691.

<sup>55</sup> C. Josephine Durkee, "Midwife Inspection in State of New York," *New York Journal of Medicine*, February 1916, p. 99.

<sup>56</sup> *The Crusader*, October 1916 "Help Needed for Mother and Child," p. 7.

<sup>57</sup> Bureau of the Census, *Mortality Statistics*, 1913, pp. 338-349, 22.

causes. It further estimates that about 7,000 of these women died from puerperal sepsis, an almost entirely preventable disease, and that many of the remaining deaths were from diseases in large part preventable or curable.

To the protection of working-class mothers afforded by prohibiting their industrial employment just before and after childbirth, European countries have added highly trained midwives, and also maternity insurance as a substitute for the wages the mother is legally prevented from earning.

Maternity insurance generally forms a part of health insurance legislation. During its earlier stage, health insurance was usually incomplete and unsatisfactory because it was optional and was only encouraged by the state, through subsidies. Nevertheless, in every one of the five countries of Sweden, Denmark, Belgium, France, and Switzerland, where we at present find such insurance, provision for maternity benefit is a part of the system. In Denmark, for instance, not only the insured women, but also the uninsured wives of the members receive free medical aid at home or in hospitals which are maintained by the state and communes.

But since voluntary insurance, even though assisted by the state, did not prove to be an effective solution of the problem, compulsory or universal health, insurance was introduced. Such insurance at present exists in ten European countries, and in each case provision for maternity benefit is made. Germany was the first country to introduce such a system, in 1884; the countries which have followed Germany's example are Austria, Hungary, Luxemburg, Norway, Servia, Great Britain, Russia, Roumania, and Holland. In Germany a maternity benefit, equivalent to at least half of wages, is paid for eight weeks, six of which must fall after confinement. As a substitute, the health insurance fund, with the consent of the woman, may provide medical treatment and maintenance in a hospital; treatment at home may also be given, for which the fund may deduct not more than one-half of the maternity benefit. The autonomous German insurance funds may give, in addition to the regular benefit, the services of a surgeon and midwife at the confinement to all women who have been insured for at least six months in the year preceding the confinement. They are also allowed to provide for women who were members for not less than six months, sickness pay for

six weeks in case of disability due to pregnancy, and medical aid in addition. The law of 1911 authorizes the funds to grant a nursing benefit, provided the mother nurses the child, to the amount of one-half of the cash maternity benefit for twelve weeks after confinement.

In Austria the regular sick benefit is paid for at least four weeks after delivery in case of normal childbirth; to this is added free medical treatment and medicines. Russia and Servia provide the regular cash sick benefit; and in addition medical attendance and medicines which, in Russia, are furnished by the employer. The period compensated in the latter country is two weeks before and four weeks after confinement, provided the woman does not work at the time. In Servia, the period is six weeks before and six weeks after confinement. Two other countries, Norway and Roumania, limit the period to six weeks and the payment to regular cash sick benefit. In the latter country, the period during which the woman receives cash benefit may be extended to three months if she is nursing the child herself. England meets the problem in an entirely different way. It pays a lump sum of \$7.20 to an insured mother on condition that she refrain from remunerative work for four weeks after delivery. The benefit is paid in cash and is exclusive of medical service.

Uninsured wives of insured men are also given recognition. In Germany the funds are allowed by law to provide maternity benefits for them, and similar provisions exist in Hungary and Russia. The German provisions have been extended for the period of the present war to include the wives of those who perform war service, or who have been taken prisoners, killed or wounded, and who had been insured twenty-six weeks previous to war service.<sup>58</sup> In England \$7.20 is paid to the wife of an insured man, whether she is insured or not. In Roumania the uninsured wife of an insured man receives treatment by a midwife and physician and medicines "if the available means permit." Serbia's law of 1910 is more generous to the uninsured wife of the insured man; she is entitled to medical attendance and medicines.

An interesting exception to the general tendency of including maternity benefit in the health insurance system occurs in Italy. There the problem was considered so urgent that even in the absence of a general health insurance measure, a compulsory

<sup>58</sup> *Reichs-Arbeitsblatt*, 1914, Vol. 12, p. 1007.

scheme of maternity insurance was introduced. By the law of 1910, passed after several years of consideration, all wage-earning women between the ages of fifteen and fifty years, and their employers, are compelled to contribute to the national maternity fund.

Proposals for protection for American mothers are contained in the standard bill for health insurance drafted by the American Association for Labor Legislation. As one of the benefits of a health insurance act embracing all manual workers and other employees earning \$100 a month or less, this bill provides all necessary medical, surgical, and obstetrical aid, materials, and appliances to the wives of men insured for nine months during the preceding year, and to women insured for the same period. This waiting period of nine months' insurance during the year preceding confinement makes it extremely improbable that a man previously uninsured will assume employment for the purpose of obtaining a maternity benefit for his wife. The condition of nine months' insurance makes it even more difficult for an expectant mother, not regularly employed, to enter industrial work for the purpose of qualifying for benefit on her own account.

The insured woman will receive, in addition to medical care, a cash benefit equal to two-thirds of wages during the two weeks preceding and the six weeks following confinement, on condition that she abstain from employment during that period. The "cash maternity benefit," paid at the usual rate of sickness benefit, and equal to two-thirds of wages, is a substitute for sickness benefit payable during other periods of disability to insured women. As such, it is due to insured women who are prevented both by their own physical condition and by special legislation from contributing to the family income at the time it is most needed.

As in the case of insured men, these benefits are to be provided out of mutual funds to which the employer ordinarily contributes two-fifths, the employee two-fifths, and the state one-fifth. If the wage is below \$9 a week, however, the contribution of the employee is decreased and that of the employer proportionately increased, until at the low wage of less than \$5 weekly the employer pays four-fifths and the worker none. Thus women workers in the lower paid groups are relieved of the burden which even a few cents' outlay weekly would mean to them. Hardly ever, it is estimated, would the worker's contribution exceed  $1\frac{1}{2}$  per cent of her wages.



The effect of these provisions will be two-fold. The first effect will be the improvement of the obstetrical aid rendered to women eligible for maternity benefit. The funds which provide maternity care will naturally select with care those whom it wishes to serve its members; the members in turn will undoubtedly avail themselves of this selected and supervised service since it may be obtained without any additional cost. Moreover, in rural communities where facilities to-day are sadly deficient, health insurance will prove a powerful stimulus to provision for proper care when insured women and the wives of insured men are legally entitled to it. The second effect will be that in those homes in which the mother is compelled to become a breadwinner, she will not be forced to work up to the day of her confinement; with two-thirds of her wages coming in, she will be able to take the necessary rest both before and after the birth. Maternity benefit to employed mothers will thus mitigate the evil of their industrial employment, and of the attending poverty when their wage earning ceases.

This benefit, which promises much for the welfare of the working mother, is advocated by such representative women as Mary Beard, president of the National Organization for Public Health Nursing; Alice Stone Blackwell, editor of the *Woman's Journal*, and Pauline Newman, of the Ladies' Garment Workers' Union, the fourth largest union in the American Federation of Labor. In the words of the latter:

At present when neither the employer nor the state cares very much for those who do all the world's work, a measure like maternity insurance ought to be welcomed by everyone who understands and can feel with the unfortunate, exploited married woman.<sup>59</sup>

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<sup>59</sup> Pauline Newman, "Maternity Insurance and Our Radical Conservatives," *Life and Labor*, August 1916, p. 117.

## Bureaus of Labor, Minimum Wage Commissions, Etc., Dealing with Labor Legislation Affecting Women

| STATE                | NAME OF BUREAU                                    | CHIEF OFFICER  | ADDRESS                                 |
|----------------------|---|--|---|
| <b>United States</b> | Department of Labor.                              | William B. Wilson.   | Washington, D. C.                       |
| <b>Alabama</b>       | Inspector of Jails and Almshouses.                | W. H. Oates, M.D.  | Box 282, Montgomery.                    |
| <b>Arkansas</b>      | Bureau of Labor and Statistics.                   | J. C. Clary.   | Little Rock.                            |
|                      | Minimum Wage Commission.                          | J. C. Clary.<br>Mrs. Eva Reichardt<br>Masingill.<br>Mary H. McCabe.  |   |
| <b>California</b>    | Bureau of Labor Statistics.                       | John P. McLaughlin.  | 948 Market Street, San Francisco.       |
|                      | Industrial Accident Board.                        | A. J. Pillsbury,<br>Chairman.  | 525 Market Street San Francisco.        |
|                      | Industrial Welfare Commission, 5 members.         | Frank J. Murasky,<br>Mrs. Katherine Philips<br>Edson,<br>A. B. C. Dohrmann,<br>A. Bonenheim,<br>Walter G. Mathewson, | San Francisco.                          |
| <b>Colorado</b>      | Industrial Commission, 3 members.                 | E. E. McLaughlin,<br>Frank P. Lannon,<br>Wayne C. Williams,<br>J. A. Warren, Sec.                                    | State Capitol, Denver.                  |
|                      | Bureau of Labor Statistics.                       | Axel Swanson.  | Denver.                                 |
| <b>Connecticut</b>   | Department of Labor and Factory Inspection.       | Wm. S. Hyde.   | Hartford.                               |
| <b>Delaware</b>      | Child Labor Inspector.                            | Wm. Gibbons.   | Ford Building, Wilmington.              |
|                      | Women's Ten-Hour Inspector.                       | Mary S. Malone.  | 507 Washington Street, Wilmington.      |
|                      | Inspector of Canneries.                           | Dr. Wm. R. Messick.  | Rehoboth Beach.                         |
| <b>Florida</b>       | State Labor Inspector.                            | J. C. Privett.   | Room 6, Baldwin Building, Jacksonville. |
| <b>Georgia</b>       | Department of Commerce and Labor.                 | H. M. Stanley.   | Atlanta.                                |
| <b>Hawaii</b>        | Department of Immigration, Labor, and Statistics. | Ralph A. Kearns.   | Honolulu.                               |
| <b>Idaho</b>         | Bureau of Immigration, Labor, and Statistics.     | S. J. Rich.  | Boise.                                  |
| <b>Illinois</b>      | Department of Factory Inspection.                 | Oscar F. Nelson.   | 608 South Dearborn Street, Chicago.     |
|                      | Bureau of Labor Statistics.                       | L. D. McCoy.   | Springfield.                            |
| <b>Indiana</b>       | Industrial Board                                  | Edgar A. Perkins.  | State Capitol, Indianapolis.            |
|                      | Bureau of Statistics.                             | T. W. Brolley.   | Indianapolis.                           |

**BUREAUS OF LABOR, MINIMUM WAGE COMMISSIONS, ETC., DEALING WITH LABOR LEGISLATION AFFECTING WOMEN—Continued**

| STATE         | NAME OF BUREAU                                  | CHIEF OFFICER   | ADDRESS                             |
|---------------|---|---|-------------------------------------|
| Iowa          | Bureau of Labor Statistics.                     | A. L. Urick.  | Des Moines.                         |
| Kansas        | Industrial Welfare Commission, 3 members.       | P. J. McBride,<br>John Craddock,<br>Mrs. Genevieve H. Chalkley,<br>Linna E. Bresette, Sec.                | State Capitol, Topeka.              |
|               | Department of Labor and Industry.               | P. J. McBride.  | Topeka.                             |
| Kentucky      | Bureau of Agriculture, Labor, and Statistics.   | Mat S. Cohen.   | Frankfort.                          |
| Louisiana     | Bureau of Labor.                                | Wm. McGilvray.  | New Orleans.                        |
|               | Factories Inspector for Orleans Parish.         | Mrs. Martha D. Gould.   | Room 11, City Hall,<br>New Orleans. |
| Maine         | Department of Labor and Industry.               | Roscoe A. Eddy.   | Augusta.                            |
| Maryland      | State Board of Labor and Statistics, 3 members. | Charles J. Fox,<br>Samuel A. Keene,<br>Harry S. Willis.   | Equitable Building,<br>Baltimore.   |
| Massachusetts | State Board of Labor and Industries, 5 members. | Alfred W. Donovan,<br>Mrs. Mary H. Dewey,<br>John F. Tobin,<br>James A. Donovan,<br>Dr. Alfred H. Quessy. | No. 1 Beacon Street,<br>Boston.     |
|               | Commissioner of Labor.                          | Edwin Mulready.   | No. 1 Beacon Street,<br>Boston.     |
|               | Minimum Wage Commission.                        | Arthur N. Holcombe,<br>Mabel Gillespie,<br>Edwin N. Bartlett,<br>E. Natalie Matthews,<br>Sec.             | No. 1 Beacon Street,<br>Boston.     |
| Michigan      | Department of Labor.                            | J. V. Cunningham.   | Lansing.                            |
| Minnesota     | Department of Labor and Industries.             | W. F. Houk.   | St. Paul.                           |
|               | Minimum Wage Commission.                        | W. F. Houk,<br>A. H. Lindeke,<br>Eliza P. Evans.  |                                     |
| Missouri      | Department of Factory Inspection.               | A. S. Johnston.   | Fullerton Building, St. Louis.      |
|               | Bureau of Labor Statistics.                     | J. T. Fitzpatrick.  | Jefferson City.                     |
| Montana       | Department of Labor and Industry.               | W. J. Swindlehurst.   | Montana.                            |
| Nebraska      | Bureau of Labor and Industrial Statistics.      | Frank M. Coffey.  | Lincoln.                            |
|               | Minimum Wage Commission.                        | George E. Norman,<br>Anna L. Hawes.   | Omaha.<br>Lincoln.                  |
| Nevada        | Labor Commissioner.                             | W. E. Wallace.  | Carson City.                        |
| New Hampshire | Bureau of Labor.                                | J. S. B. Davie.   | Concord.                            |
|               | Board of Health.                                | Irving A. Watson, M.D.,<br>Sec.   | Concord.                            |
| New Jersey    | Department of Labor.                            | Lewis T. Bryant.  | Trenton.                            |

**BUREAUS OF LABOR, MINIMUM WAGE COMMISSIONS, ETC., DEALING WITH LABOR LEGISLATION AFFECTING WOMEN—*Concluded***

| STATE                     | NAME OF BUREAU   | CHIEF OFFICER   | ADDRESS  |
|---------------------------|--|---|--|
| <b>New York</b>           | Industrial Commission,<br>5 members.   | John Mitchell,<br>James M. Lynch,<br>William H. H. Rogers,<br>Louis Wiard,<br>Edward P. Lyon,<br>Henry D. Sayer, Sec. | Albany.<br><br>230 Fifth Avenue, New<br>York City. |
| <b>North Carolina</b>     | Department of Labor<br>and Printing.   | M. L. Shipman.  | Raleigh.   |
| <b>North Dakota</b>       | Department of Agricul-<br>ture and Labor.  | R. F. Flint.  | Bismarck.  |
| <b>Ohio</b>               | Industrial Commission,<br>3 members.   | Wallace D. Yaple,<br>Herbert L. Eliot,<br>T. J. Duffy,<br>George L. Stoughton,<br>Sec.                                | Columbus.  |
| <b>Oklahoma</b>           | Department of Labor.   | W. G. Ashton.   | Oklahoma City.                                     |
| <b>Oregon</b>             | Industrial Welfare Com-<br>mission, 3 members.                                   | Edwin V. O'Hara,<br>Margaret E. Howatson,<br>Amedee M. Smith,<br>Bertha Moores, Sec.                                  | 610 Commercial Block,<br>Portland.                 |
|                           | Bureau of Labor Sta-<br>tistics and Inspection<br>of Factories and<br>Workshops. | O. P. Hoff.   | Salem.   |
| <b>Pennsylvania</b>       | Department of Labor<br>and Industry.   | John P. Jackson.  | Harrisburg.  |
| <b>Philippine Islands</b> | Bureau of Labor.   | Manuel Tinio.   | Manila.  |
| <b>Porto Rico</b>         | Bureau of Labor.   | F. C. Roberts.  | San Juan.  |
| <b>Rhode Island</b>       | Bureau of Factory In-<br>spection.   | J. Ellery Hudson.   | State House, Providence.                           |
|                           | Bureau of Industrial<br>Statistics.  | G. H. Webb.   | Providence.  |
| <b>South Carolina</b>     | Department of Agri-<br>culture, Commerce,<br>and Industries.                     | E. J. Watson.   | Columbia.  |
| <b>Tennessee</b>          | Department of Work-<br>shop and Factory In-<br>spection.                         | W. L. Mitchell.   | Nashville.   |
| <b>Texas</b>              | Bureau of Labor Sta-<br>tistics.   | C. W. Woodman.  | Austin.  |
| <b>Utah</b>               | Bureau of Immigration,<br>Labor, and Statistics.                                 | H. T. Haines.   | Salt Lake City.                                    |
| <b>Virginia</b>           | Bureau of Labor and<br>Industrial Statistics.                                    | J. B. Doherty.  | Richmond.  |
| <b>Washington</b>         | Bureau of Labor.   | C. H. Younger.  | Olympia.   |
|                           | Industrial Welfare Com-<br>mission, 5 members.                                   | C. H. Younger,<br>M. H. Marvin,<br>Mrs. Jackson Silbaugh,<br>Mrs. W. H. Udall,<br>Mrs. Frances Headlee,<br>Sec.       | Olympia.   |
| <b>West Virginia</b>      | Bureau of Labor.   | Jack H. Nightingale.  | Wheeling.  |
| <b>Wisconsin</b>          | Industrial Commission,<br>3 members.   | J. D. Beck,<br>Fred M. Wilcox,<br>George P. Hambrecht.  | Madison.   |



# SHORT BIBLIOGRAPHY

## ON

### WOMEN IN INDUSTRY

The chief difficulty in making a brief bibliography on women in industry is an embarrassment of riches. A complete list of books and articles on the subject would fill a volume far larger than the whole of the present REVIEW. In the following bibliography the effort is not to present an exhaustive list of references, but to cite up-to-date and accessible works on the various phases of the subject. The general problem, wages, hours, sanitary conditions, childbirth protection, and maternity insurance are touched on. Reference is made to important official investigations as well as to the works of private students and to brief, reliable summaries. Finally a number of bibliographies are included, which the specialist may find useful in more intensive work on special parts of the field.

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